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STUDY OF RESIDENTIAL INTENSIFICATION AND RENTAL HOUSING CONSERVATION

PART 3 : RESIDENTIAL INTENSIFICATION AND FUTURE HOUSING NEEDS

3.3: THE SUPPLY PROCESS

PREPARED FOR
THE ONTARIO MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING
AND THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO

BY
KLEIN & SEARS
ENVIRONICS RESEARCH GROUP
CLAYTON RESEARCH ASSOCIATES
LEWINBERG CONSULTANTS
WALKER, POOLE, MILLIGAN

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NOTE:

This is a consultants' report. Any statements or opinions expressed herein are those of the writers or of persons quoted and, unless otherwise noted, are not necessarily endorsed by the Ministry of Municipal Affairs & Housing, Government of Ontario, or the Association of Municipalities of Ontario.





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FOREWORD

This study was commissioned jointly by the Ontario Ministry of Municipal Affairs and Housing and the Association of Municipalities of Ontario. Funding for the study was provided by the Ontario Ministry of Municipal Affairs and Housing through the Housing Renovation and Energy Conservation Unit of the Community Housing Wing. The Ministry's chief representative on the study was Mr. George Przybylowski of the Housing Renovation and Energy Conservation Unit. In this capacity Mr. Przybylowski was the prime client contact throughout the study process and the consultants wish to express their gratitude to him for his considerable personal commitment to this study and the many creative and useful suggestions he made during the course of the investigations.

The findings, conclusions and recommendations contained in the various volumes of the study report are those of the consultants as are any factual errors they may contain. The report does not constitute Ontario Government or A.M.O. policy but is a report to these two organizations for their consideration.

Peter G. McInnis
Study Director

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GENERAL INTRODUCTION

This document forms one volume of an eleven volume study report commissioned jointly by the Ontario Ministry of Municipal Affairs and Housing and the Association of Municipalities of Ontario (A.M.O.) in July, 1982. The prime objectives of the study were:

1. To examine the opportunities and constraints that exist for meeting some of the future additional housing needs in Ontario during the 1980's and 1990's through the intensification of existing residential neighbourhoods.
2. To examine some of the major forces at work that have and could threaten the conservation of the existing stock of rental housing and the tenants that occupy this stock.

These objectives were formulated in response to concerns on the part of the Ministry and A.M.O. regarding recent and emerging trends in housing and urban development and population growth and change in Ontario.

It is safe to assume that there will continue to be a demand for more rental and ownership housing units in Ontario during the 1980's and 1990's due to both an absolute increase in population and an increase in the number of households. However, there is growing evidence that this demand could be different in nature than during the last decade. While demand will continue to be focused in urban areas, there will likely be increasing pressure for inner city housing particularly in the larger urban centres such as Toronto, Ottawa and Hamilton. Also, households are getting smaller and older; and more people are beginning to accept the prospect of never being able to afford to own a home. These trends suggest that there will be an increasing demand for smaller dwellings. While consumer preference information may not support this, the general state of the economy and the future affordability of housing may dictate these demands.

The Government of Ontario and the Association of Municipalities of Ontario are concerned about how these additional and somewhat different housing needs of the 80's and 90's will be met, particularly in light of the downturn in the construction of new private rental housing; the economic prospects for the 80's and 90's and the likely restraints on public expenditures related to new facilities and services and socially assisted housing; and the increasing difficulty of providing new housing through large scale redevelopment and/or a further expansion outwards of Ontario's urban fabric.

There are two major approaches to creating additional housing: 1) building new and 2) making more efficient (intensive) use of the housing stock that currently exists. This study is aimed primarily at the latter and specifically at the potential for meeting some of the future housing needs in

the Province through the conversion of the existing stock of some 1,200,000 grade-related owner occupied dwellings in the Province. The extent to which this study is concerned with new housing was limited to the opportunities that might exist for small scale residential infill in residential neighbourhoods.

In addition to being concerned about meeting additional housing needs, the Ministry and A.M.O. were concerned about conserving the existing rental stock in a safe and livable condition for at least the same number of households as it currently accommodates. While this aging/conservation issue is by no means a new one, the nature of the issue will likely be quite different in the future. Until the late 1950's, the vast majority of housing in the Province was grade-related and owner occupied, and the conservation of these types of dwellings usually happened as a matter of course without much concern or assistance on the part of governments. In the last 30 years, however, the housing stock profile has changed dramatically with the advent of the high-rise apartment building. Rental apartments in multiple unit buildings form a much larger proportion of the stock than ever before. Approximately two-thirds of the over one million rental housing units in Ontario are located in high-rise or low-rise/walk-up multiple unit apartment buildings. Forty percent or 434,000 of the total rental units are in high-rise buildings. The conservation of the apartment rental stock has never been a serious issue in the past because of the relative newness of this stock. However, as these buildings age during the 80's and 90's (many are already 20 years old), serious attention will have to be given to the efforts that will be required to maintain these units in a safe and livable condition and within the economic reach of a large majority of the population. Therefore, the second objective of this study was in part, to examine the type of building repairs and improvements (and their associated costs) that will be required to conserve the Province's stock of some 434,000 high-rise rental apartments over the next 20 years.

A second rental housing conservation concern of the Ministry and A.M.O. had to do with the perceived loss of low-income rental accommodation that has traditionally been available in the form of rooms and apartments in grade-related dwellings in older neighbourhoods. Specifically, the study was to examine the extent of the loss of this type of housing due to demolition and deconversion resulting from the gentrification of these dwellings and the impact these losses have had on tenants.

The investigations were carried out by a series of five individual consultants working under the direction of a sixth consultant retained to coordinate and direct the study investigations. The work of each consultant was monitored and reviewed by a core study group made up of the five consultants, the study director and representatives of MOMAH and AMO.

Core Study Group

Study Director: Peter McInnis
Klein & Sears Research and Planning Limited

Consultants: Michael Adams
Environics Research Group

Jack Klein
Klein & Sears, Architects

Greg Lampert
Clayton Research Associates

Frank Lewinberg
Lewinberg Consultants

Peter Milligan
Walker, Poole, Milligan

Ministry
Representatives Sue Corke
Gary McAllister
George Przybylowski

A.M.O.
Representatives: Mayor W. McLean Town of Ajax

Gwyn Simmons City of Ottawa Non-Profit Housing
Corporation

Special Assistant
To Core Group: Betty Kaser

While the consultants' work on this study began formally at the beginning of July, 1982, some considerable effort was spent in advance of this start-up by a steering committee of Ministry and AMO representatives in developing terms of reference and a work plan with the Study Director that reflected the findings of an extensive and detailed review of the literature pertaining to the issues in question. This literature review was carried out by David Hulchanski for the Ministry during April and May of 1982 and has been published under separate cover. The prime purpose of this review was to identify the extent to which the issues in question had already been considered and the findings and conclusions that had been reached in order that the consultants' work could be focussed on those issues about which there is limited knowledge or understanding. Also, this review provided a valuable basis for establishing certain propositions to be tested in the study.

The investigations, particularly those relating to Objective #1, were carried out on a case study area basis in the municipalities of Toronto, North York, Hamilton, Kingston, Woodstock and Ottawa with special input from municipal officials in Thunder Bay. These municipalities were selected to reflect the fact that many of the issues under investigation were more associated with larger urban areas as well as to provide, at the same time, a range of sizes of municipalities for comparative purposes.

The overall study report is organized into 11 separate volumes. These 11 volumes follow the 5 part organization of the findings, conclusions and recommendations of the study investigations as indicated below:

PART #	TITLE (Prime Consultants)	VOLUME #
1	Summary of Findings And Recommendations (Klein & Sears)	1
2	Economic And Demographic Trends for the 80's and 90's (Clayton Research Associates)	2
3	Residential Intensification And Future Housing Needs	
	3.1 Physical Potential (Clayton Research Associates)	3
	3.2 Economic Issues (Klein & Sears and Clayton Research Associates)	4
	3.3 The Supply Process (Environics Research Group and Clayton Research Associates)	5
	3.4 Tenant Demand (Environics Research Group)	6
	3.5 Neighbourhood Impact And Resistance (Environics Research Group and Lewinberg Consultants)	7
	3.6 Municipal And Provincial Policies And Regulations (Walker, Poole, Milligan)	8
4	Conserving The Existing Rental Housing Stock	
	4.1 Recent Rental Stock Losses and the Impact of Deconversion (Clayton Research Associates and Lewinberg Consultants)	9

4.2	Future Conservation Requirements And Costs for High-Rise Apartments and the Possible Impact on Rents and Tenants (Klein & Sears and Clayton Research Associates)	10
5	Data Sources And Problems (Clayton Research Associates)	11

This particular volume (Volume #5) of the study report was prepared by two different consultants. Mr. Greg Lampert of Clayton Research Associates was responsible for the first part of this volume, dealing with the identification of groups who might be interested in converting their housing as well as the third part, dealing with the Construction Industry. Mr. Michael Adams of Environics Research Group prepared the second part of this volume, dealing with the attitudes and willingness of homeowners to undertake conversion.

INTRODUCTION TO PART 3

This part of the study deals with Objective #1

"To examine the opportunities and constraints that exist for meeting some of the future additional housing needs in Ontario during the 1980's and 1990's through the intensification of existing residential neighbourhoods"

"Residential Intensification" as used in this study means increasing the number of households accommodated in existing buildings and/or on existing serviced land in already built-up parts of urban areas through conversion of existing structures and through additions to existing structures and the building of new structures on vacant or near vacant land. Intensification as used in this study is achieved with little or no demolition of existing buildings.

The interest in intensification reflects emerging housing market trends, changing urban population profiles and the economics of new housing construction, in particular new private rental apartments. In addition, the interest in intensification as a means of meeting some of the future housing needs in Ontario stems from a number of factors not the least of which is the economic restraint under which governments at all levels now find themselves operating and the prospect of similar conditions prevailing over the next several years. These restraint conditions have caused some governments to cut back on or freeze spending on new facilities and services and seriously assess the efficiency with which existing facilities are used. The argument in support of intensification to provide additional housing is, in part, due to these economic restraints and the potential that may exist for increasing the number of households being served by the existing urban infrastructure.

This study defined 7 basic forms or models of conversion and infill that meet the above definition of intensification:

- 1) changing grade-related type dwellings from single household use to accommodate a number of unrelated households or individuals with no or minor physical alterations (e.g. small group homes for seniors and rooming houses or a roomer in an owner-occupied dwelling)
- 2) changing grade-related type dwellings from single household use to self-contained accommodation for more than one household through physical alterations (e.g. duplexes, triplexes, etc.);
- 3) building an addition (vertically or horizontally) to a grade-related dwelling to increase the number of dwelling units;
- 4) building a second or third separate dwelling on a lot which presently has one dwelling unit in place (e.g. back lot or side lot development);

- 5) building several separate dwelling units on a lot which already has a multiple family development in place (e.g. building on landscaped open space around a high-rise building);
- 6) converting existing obsolete non-residential space to residential use (e.g. over stores along arterials); and
- 7) building new multiple residential units on vacant or near vacant sites in commercial areas (e.g. mixed-use projects in core areas).

While Models #6 and #7 are critical forms of intensification, the opportunities and constraints related to these models are well researched and documented. In fact, in the past few years the Ministry itself has conducted two investigations into the potential for residential and mixed commercial and residential infill development in the core areas of Ontario municipalities. This study concerned itself solely with investigating conversion and infill potential in existing residential neighbourhoods because of the paucity of good information that exists on the subject. In particular, emphasis was placed on the conversion models and their potential application to the 1.2 million grade-related owner occupied dwellings in Ontario urban centres of more than 10,000 people.

Models #2-5 are graphically illustrated in Figures 1-6 on the following pages. These figures provide just a few examples of the multitude of different physical forms the various types of intensification could take.

The examination of the opportunities and constraints associated with the creation of additional housing by means of the 5 models is examined in terms of:

- the physical potential of intensification vis-a-vis such issues as the convertability of various house forms, current intensity of use and the opportunities for infilling around or adding to existing dwellings;
- the economics of intensification in respect to the costs of creating new accommodation and rents required to pay for this accommodation as well as the economic impact of intensification on municipalities;
- the supply process or who could and would undertake various forms of intensification and the motivations for doing so as well as the capability and attitudes of the construction industry and lenders to facilitate intensification activities;
- the market demand for various types of accommodation that could result from intensification among various segments of the tenant market;
- community and neighbourhood impact and resistance that may occur as a result of or in anticipation of increased intensification activities in the various types of neighbourhoods that are traditionally found in the urban fabric of Ontario municipalities;
- government policies and regulations and in particular, municipal official plans and zoning by-laws.

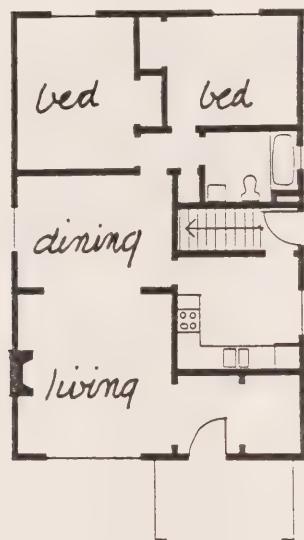
FIGURE 1 – Model 2

BUNGALOW CONVERSION

- a self contained one bedroom unit is provided in addition to the existing ground floor unit
- existing basement stairs are located adjacent to the back entrance facilitating conversion
- window wells or excavation to create a sunken patio can increase natural light for a basement apartment
- if the basement is already finished and/or a bathroom is in place, the conversion is likely to be less costly



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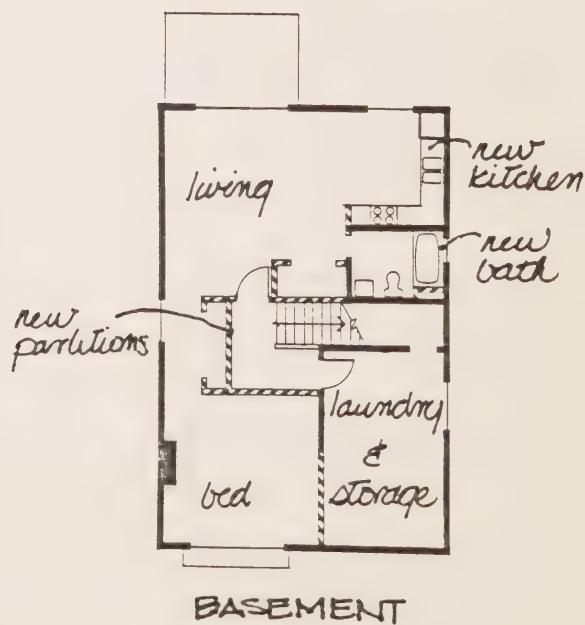
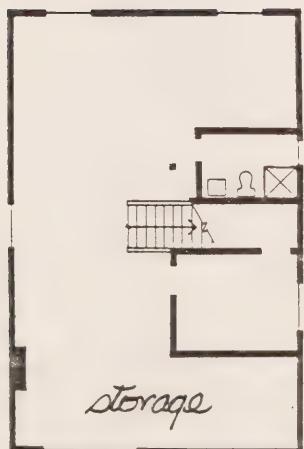
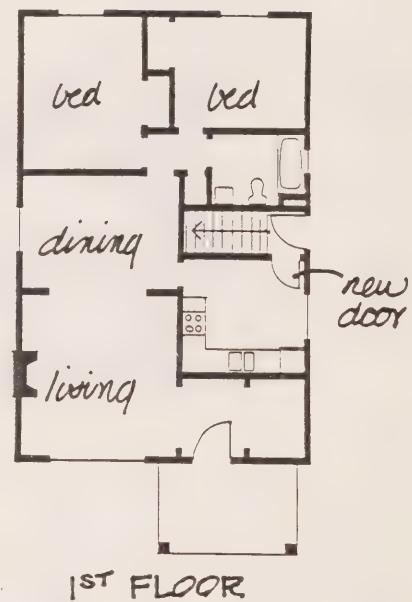


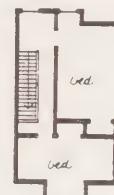
FIGURE 2 – Model 2

CONVERSION OF A THREE STOREY SEMI-DETACHED HOUSE

- the house is converted to provide a one bedroom unit on the ground floor and basement and a two bedroom unit on the second and third floors
- stairs and entrances are generally found on the party wall of semi-detached homes. This plan form lends itself readily to natural hall circulation
- decks can be added to second or third floors to provide additional space
- a larger house such as this provides more options for conversion. The house could be converted in a number of ways including three or four self-contained units, one on each floor or leaving the existing basement and converting to provide a bachelor apartment on one floor and a two bedroom apartment on the remaining floors

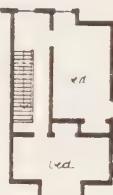


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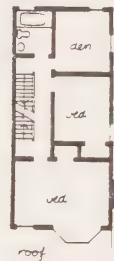


3RD FLOOR

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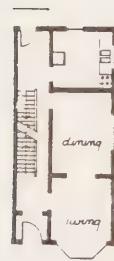
3RD FLOOR



2ND FLOOR



2ND FLOOR



GROUND



GROUND



BASEMENT



BASEMENT

FIGURE 3 – Model 2

CONVERSION OF A TWO STOREY DETACHED HOUSE

- the house is converted to provide a one bedroom unit on the ground floor and a one bedroom unit on the second floor
- the centre hall plan of this house is not as easily adaptable as the side hall plan of the previous illustration. The resulting circulation pattern within the units tends to be from room to room rather than off a hall

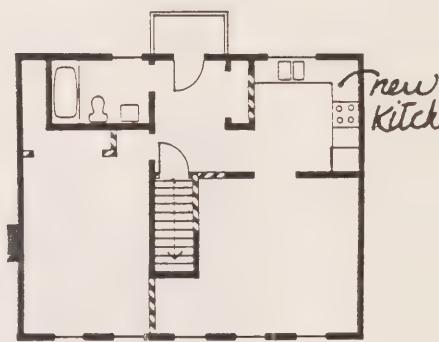


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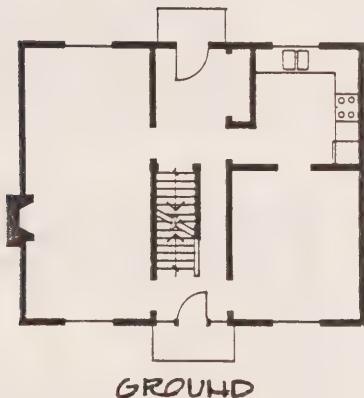


2ND FLOOR

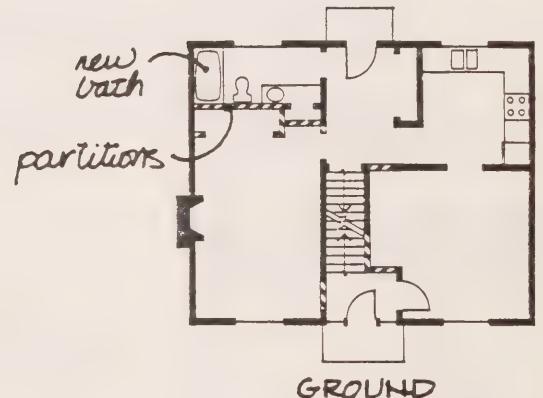
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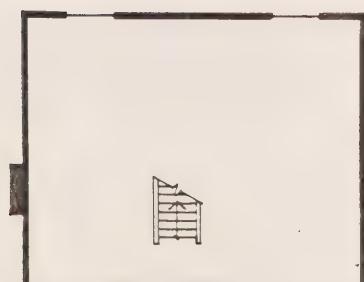
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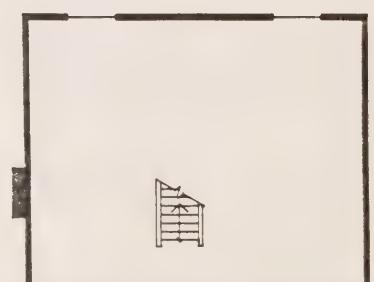
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GROUND



BASEMENT

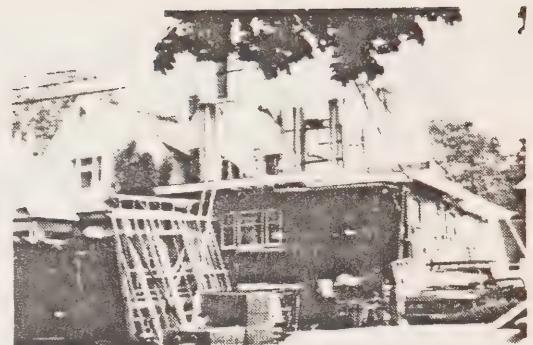


BASEMENT

FIGURE 4 – Model 3

VERTICAL ADDITION

- a second storey is added to an existing bungalow to provide a second self-contained dwelling unit
- as the ceiling of the ground floor unit is exposed during construction, timing and weather are important concerns in planning for this type of addition



HORIZONTAL ADDITION

- an existing garage is converted to residential space and provides a bachelor unit
- garages frequently have an existing back door and windows which can be incorporated in the conversion
- if the plumbing in the existing house is on the side of the house adjacent to the garage, the addition is likely to be less costly
- as this unit is grade related and provides access without stairs, it is particularly appropriate for a "granny unit"

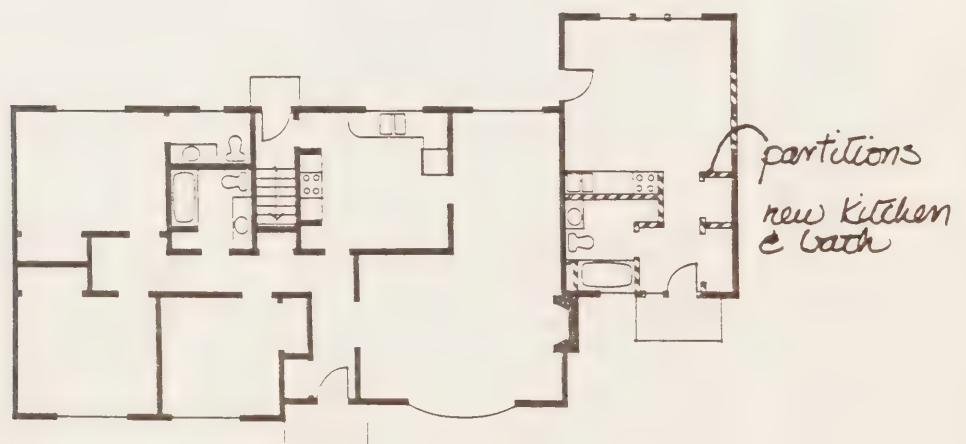


FIGURE 5 – Model 4

BACK LOT INFILL

- new housing units are built at the back of the lots on which there are existing houses
- access is from a back lane in one example and from the street using the side driveway in the other
- the length of the lot and the location of the house on the lot are critical factors. Generally urban land use patterns will accommodate this type of infill more readily than suburban land use patterns where the house is typically situated close to the centre of the lot
- the new housing could provide more than one unit or larger units by building more than one floor

BACK LANE ACCESS



SIDE DRIVE ACCESS

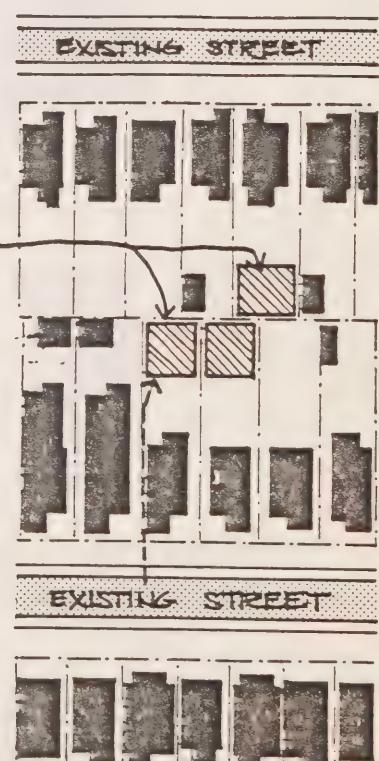
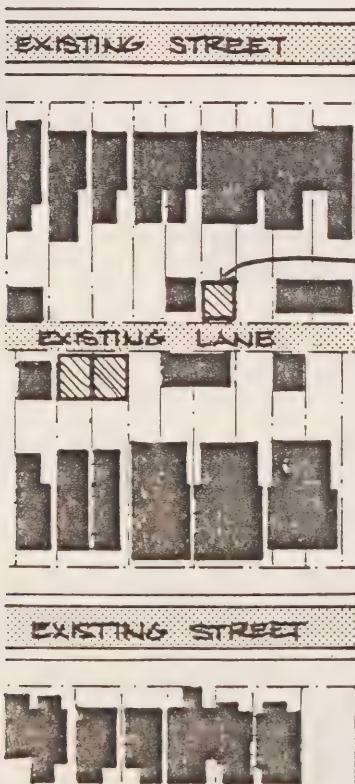
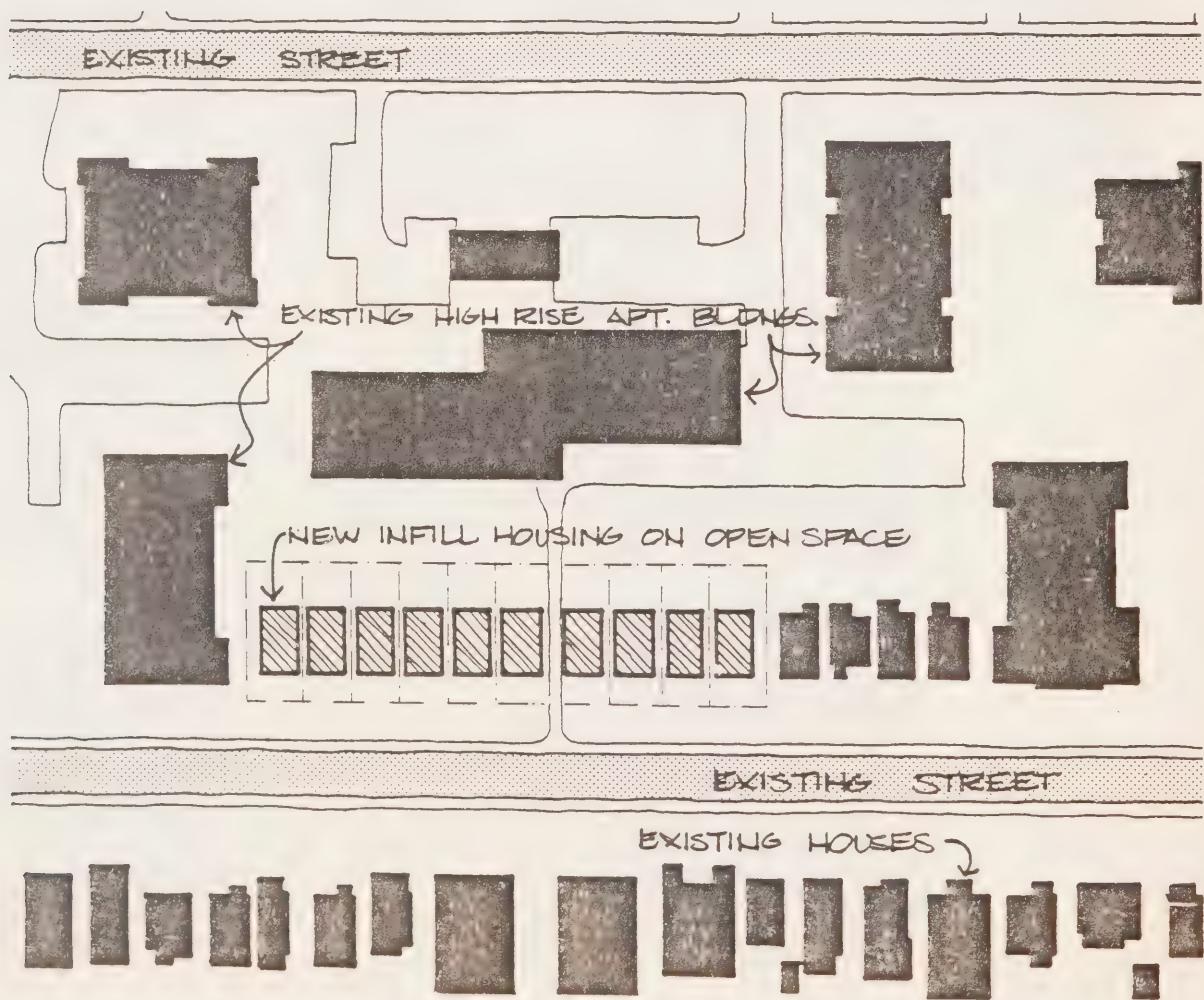
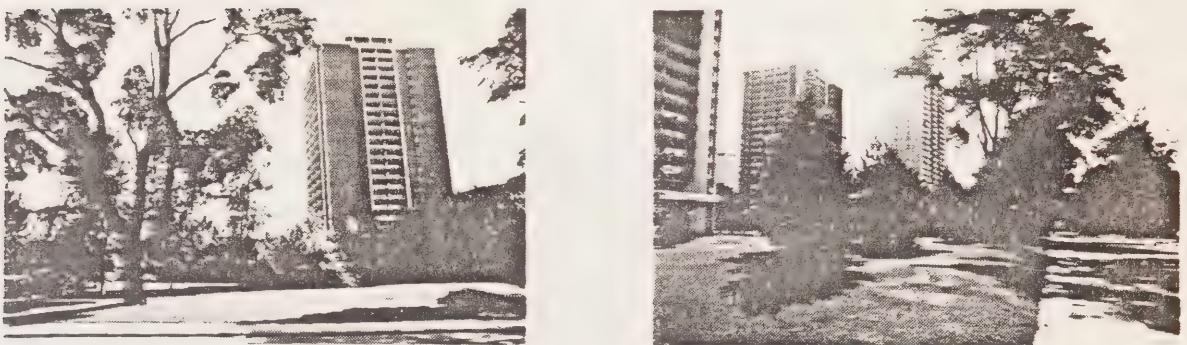


FIGURE 6 – Model 5

INFILL ON APARTMENT GROUNDS

- a number of single family houses are shown as infill in the landscaped open space of a high rise apartment building. The new housing could also take the form of semi-detached housing, row housing or low rise apartment structures
- the housing type could be selected to be consistent with the surrounding neighbourhood
- existing underground garages for the high rise apartment buildings often have surplus spaces which could be used for the new infill housing



PART 3.3.1
MARKET FOR UNDERTAKING INTENSIFICATION

Prepared by:
Clayton Research Associates

3.3.1 MARKET FOR UNDERTAKING INTENSIFICATION

1.0 PURPOSE

Conversions of dwellings will only occur if the owners of the properties involved find it in their interest to convert. Clearly, the immediate economics of conversion are extremely important in this regard, however, there are many other relevant considerations as well: for example, a family's current and future space requirements will be an important factor as will the owner's perception of whether the conversion will have a serious impact on his lifestyle.

The importance of these factors, and hence the viability of the conversion option, will differ for different groups of owners. The purpose of this section is:

- To identify hypothetically the motivations and expectations of the current owners of the convertible stock and to assess the extent to which they would consider conversion of their dwellings (these hypothetical motivations and expectations for each group will be confirmed or denied and added to by a market survey among the groups identified below); and
- To examine the amount of the convertible stock held by each of the groups in order to postulate the physical potential for conversions in Ontario.

2.0 THE GROUPS AND THEIR HYPOTHETICAL MOTIVATIONS AND EXPECTATIONS

The owners of the convertible housing stock can be categorized into the following broad groupings:

- Absentee owners - landlords who are currently renting the dwelling(s) to one or more households;
- Young owner-occupants - households in which the owner (head) is aged less than 35 years and resides in the dwelling; there are three distinct groups of young owner-occupants:
 - Young singles - non-family households of one or more persons;
 - Young couples - married or unmarried couples without children;
 - Young families - married or unmarried couples with children;
- Single-parent owner-occupant families - all families, regardless of the age of the head, in which the owner (head) is single (divorced, separated, widowed or never married), and has one child or more residing in the dwelling;
- Middle-aged owner-occupants - households in which the owner (head) is generally aged 35-54 years and resides in the dwelling; there are two distinct groups of middle-aged owner-occupants:
 - Middle-aged singles and couples - without children;
 - Middle-aged families - married or unmarried couples with one child or more residing in the dwelling; and
- Empty-nester and elderly owner-occupants - households without children at home in which the owner (head) is aged 55 years or more and resides in the dwelling.

There are, of course, some over-laps in categories; for example: a family with children in which the head is aged 55 years or more would more logically be grouped with middle-aged families than with empty-nester and elderly households. Nonetheless, the eight groupings serve broadly to distinguish groups which will have different motivations and expectations with regard to the possibility of converting their dwelling.

The perceived motivations and expectations are outlined in the following sections for each group. Because each group is generally dealt with as a whole, broad generalizations about their financial circumstances and needs are drawn; this is not to imply that all members of the group will approach the conversion option in the way indicated, it is only intended as a guide to the likely perceptions of typical members of each group.

2.1 Absentee Owners

The motivations and expectations of landlords are probably the simplest of any of the groups to analyse; whether they are individuals or companies, in most cases their paramount motivation will be profit-maximization. Landlords will tend to view conversion in the same light as any other costly endeavour: "will the potential increase in rents and dwelling value be sufficient to offset the outlay required?" There will, of course, be some outlays since the landlords conversion option will likely entail some alterations. If the conversion is perceived to be worthwhile either in terms of net future rent flows or, if it is intended ultimately to sell the property, in terms of increased property value, it will likely be undertaken.

Even in this cold profit-maximization light however, more things than simply cash values must be (and will be) considered by landlords. Perceptions as to the types of tenants which will be attracted to converted units and possible resulting costs through higher turnover rates, damage or non-payment of rent will be an extremely important consideration, especially since most landlords will not be in a position to watch the property on a day-to-day basis. Few landlords would be willing to forego the more stable, if relatively smaller, stream of rent payments for a larger but more uncertain rent stream which might also entail substantial repair costs periodically.

2.2 Young Singles

In general, most home-owners under 35 years will be relatively recent first-time homebuyers. As such, most will be in fairly tight financial circumstances brought on by a combination of:

- Relatively low incomes - most people in the under 35 age group have not yet reached their peak earnings capacity and, given today's uncertain economic climate, may also be in fear of losing their jobs since generally they will have relatively little seniority;
- Large mortgage loan amounts - most first-time buyers purchase a relatively modest home but also have only a modest downpayment, therefore their mortgages (and mortgage payments) are relatively large; and
- High interest rates - the surge in mortgage interest rates, from the 9-12 percent range of the 1970's to current rates of 17 percent plus has resulted in substantially increased mortgage payments both for homepurchasers and for mortgage renewers.

Young singles will be particularly hard hit by these conditions since they have only one income to rely upon. As such, one might expect that young singles would be receptive to conversions, especially the Model 1 type which would not entail substantial initial costs. In fact, in 1981, almost one-quarter of all non-family households in Ontario had two or more occupants - so sharing is already occurring on a significant scale.

This type of conversion might also suit the lifestyles of young singles who often choose to share accommodation not only as a method of offsetting high housing costs but also for companionship.

It might be borne in mind, however, that young singles do not typically own their own home; only about 10 percent of all young non-family households in Ontario in 1981 owned a ground-oriented dwelling. As such, these owners may not resemble the stereotype of young single households: for example, many may have inherited the dwelling or may be sufficiently affluent not to be concerned with the financial problems which a "typical" young single person might face.

2.3 Young Couples

The typical stereotype of the young couples owning their own home is one of relative hardship, especially in today's economic conditions. Generally, following the stereotype, they will be relatively recent first-time homebuyers who will be using both of their incomes to reduce their mortgage debt load prior to the loss of the second income (even if temporarily) upon the arrival of their children. Under these circumstances, most young couples could be expected to welcome the extra money which conversion (or purchase of a converted dwelling) might bring; however, they would, no doubt, not wish to undertake a conversion which might reduce the space available for their future requirements - though with today's trend to smaller families, such space requirements may be less than in the past.

In fact, to examine the motivations and expectations of young homeowner couples with respect to conversion of their dwellings, it is necessary to separate them into two sub-groups:

- Those who intend to have their children in their current dwelling; and
- Those who intend either not to have children at all, or to move to another dwelling when the family arrives.

The first group will tend to follow the stereotype outlined above; while attracted to conversion as a means of helping with mortgage payments, they will be reluctant to undertake an expensive conversion for space they may ultimately need for their family.

The second group will not be intending to use their current dwelling to raise a family and, therefore, may be more willing to sacrifice space on a more or less permanent basis in order to supplement their incomes. Couples intending to move may be particularly attracted to the conversion option since, for them, one of the main purposes of purchasing their current dwelling would have been to accumulate equity for the purchase of their family home. For these couples, converting would be viewed as serving the dual purpose of helping to pay off the mortgage and increasing the value of their dwelling.

For couples not intending to have children, the loss of space on a permanent basis may not be a large concern but, on the other hand, these couples may not be as anxious for the extra income either since no one will be leaving the workforce for childbirth. Even with today's trend toward smaller families, however, couples intending to have no children are a distinct minority; only 15 percent of all middle-aged husband-wife families in Ontario in 1981 did not have children at home.

In sum, young couples without children seem likely to view conversion positively - especially in light of current economic conditions and the desire of most homeowners to reduce their mortgage debt. It must be borne in mind, however, that young couples typically rent rather than own, only 38 percent of young couples in Ontario in 1981 owned a ground-oriented dwelling.

2.4 Young Families

Young families also seem most likely to be of two minds with regard to potential conversion of their dwelling. On the one hand, they will be attracted to the possibility of additional income, especially in those cases where one of the spouses has ceased work in order to look after the children; on the other hand, there will be concerns about giving up space needed for their family. The financial concerns seem likely to be very important in the case of many young families, especially in view of the high and volatile interest rates of the past three years. Also, with smaller family sizes, the typical family's need for space may not be as great as it once was. In some cases, conversions may be seen as a short-term option to help overcome current financial circumstances - when more acceptable financial conditions return (for example, if the spouse re-enters the workforce) the dwelling may be deconverted or the family may move.

It seems likely that some young families would look favourably on the possibility of conversion though a major concern would be the maintenance of adequate space for the current and future family needs. An example of one type of conversion which might prove attractive to young families is one in which an elderly relative could live in the dwelling - perhaps to assist in looking after the children while both parents work.

Young families owning their own ground-oriented dwelling comprised 64 percent of all young families in Ontario in 1981.

2.5 Single-Parent Families

From the typical stereotype, it might be expected that relatively few single-parent families own their own home. In fact, 44 percent of all single-parent family households in Ontario in 1981 owned a ground-oriented dwelling; young single-parent households tended to have very low ownership rates (18 percent for families headed by a person aged less than 35 years) while older households had a higher rate (69 percent of family households headed by a person aged 55+ years were owners of ground-oriented dwellings).

The single-parent families that do own their own home are probably not the typical stereotype single-parent families which generally tend to be viewed as low-income families with social problems. Nonetheless, many single-parent families seem likely to be attracted to conversion of their dwellings, not only because of the additional income which might be generated but also for the companionship and support which other occupants (perhaps another single-parent family) might provide. If, on the other hand, the family is well situated financially, or if the parent does not intend to remain single, conversion may be a less attractive option.

Single-parent families, while not comprising a large component of the stock of convertible dwellings seem likely, on the whole, to be attracted to conversion.

2.6 Middle-Aged Singles and Couples

Generally, middle-aged owner-occupants do not have severe financial problems; they typically have owned a dwelling for a considerable period and thus have considerable equity and relatively small (or no) mortgage compared to the value of their dwelling. In addition, they are typically either in or near their peak earning years. Some may have renewed their mortgage recently at substantially greater interest rates than was originally the case, but this is unlikely to impose significant financial hardship on most middle-aged owners. The only significant group of middle-aged owners who might be in financial difficulty are those who have recently upgraded to a higher-priced dwelling, but few of these are likely to consider conversion as a viable option except in the short-term.

While financial problems seem unlikely to push many middle-aged single and couple homeowners into conversion, there are some who might nonetheless find the extra rent a welcome supplement to their income or who might find the companionship an attractive feature of conversion. Many singles and couples could convert their dwellings without necessarily detracting significantly from their privacy or personal living space and would thus obtain an additional income stream which, no doubt, some might find attractive.

2.7 Middle-Aged Families

Few middle-aged owner-occupant families are likely to be in the type of financial difficulty for which conversion would be seen as an answer. Also, since the family would probably require most of the existing dwelling space, conversion would likely be an inappropriate answer to financial problems - downgrading to a less expensive dwelling would probably be a preferred option for most families.

A family's space requirements are generally at their maximum when the head is middle-aged. All the children are living at home and there is likely little available unused space for conversion. This, plus the fact that most middle-aged families are not likely to be under financial pressure, points to the conclusion that there is relatively little likelihood for conversion of

homes occupied by middle-aged families. An exception to this conclusion would be conversion to allow a relative to live in the same dwelling; this might be attractive to some families, especially in circumstances where they could provide support for the family such as babysitting.

Family households with the head aged more than 55 years which still have children at home will likely behave more like middle-aged families than like empty-nester singles and couples; because of this, these households have been included with middle-aged families for the purposes of this analysis. Of all husband-wife family households (with children) in Ontario with heads aged 35 or more years, 84 percent live in their own ground-oriented dwelling.

2.8 Empty-Nesters and the Elderly

A household's space requirements decline when the children grow up and leave home; at the same time incomes generally decline with retirement. "Property rich and income poor" problems afflict many elderly homeowners and, for this reason, conversion appears to be an ideal option for them - conversion will utilize unused space, provide extra income and, in some cases, provide much-needed personal support as well. At the same time, conversion is a means by which the value of the owners' most important capital asset (the dwelling itself) will not be eroded and (of extreme importance to many elderly people) the legacy to be left to their heirs will remain intact - in fact it will likely have increased in value through conversion.

Empty-nesters who have not yet retired will be in a different financial position from the retirees, but they will, nonetheless, be framing most of their decisions with a view to their imminent retirement. Therefore, they will likely tend to regard the prospect of conversion from the same favourable point-of-view as low-income elderly people. The extra income from conversion of the now under-utilized portion of their dwelling could assist in paying off the small remaining mortgage, in financing some needed renovations to make the dwelling more suitable to their changing lifestyle, or in simply adding to the "nest-egg" to be accumulated for the retirement years.

A total of 58 percent of all single and couple households with heads aged 55 or more years in Ontario in 1981 owned their own ground-oriented dwelling.

2.9 In Summary

Summarizing the results of the above: providing that owners' concerns about maintaining privacy can be satisfied, and assuming that the returns from conversion justify the initial conversion expenses, the following owner-occupied groups can be expected to be attracted to conversion:

- Empty-nesters and the elderly;
- Young singles;
- Young couples owning a home which they intend to sell if they have a family;
- Single-parent families; and
- Middle-aged singles and couples.

In most cases, it will likely be the low to middle income segments of these groups which will be attracted to the potential extra income from conversion - though some social benefits will be perceived as well. Similarly, some low-income families and couples who intend to raise a family in their current dwelling may be attracted to conversion though their family circumstances do not generally appear to be conducive to ceding space to a tenant.

Absentee owners (landlords) will be attracted to conversion only if they perceive that their net revenues will increase. This perception entails judgements not only of costs and increased rents, but also of the type of tenant which will be attracted in general; at present, it appears that this perception is not likely to be positive.

3.0 THE OWNERS OF THE CONVERTIBLE STOCK

3.1 Ontario

Special tabulations obtained from the 1981 Census of Canada indicate that there were a total of just over 2 million single-detached, semi-detached and row dwellings in Ontario in 1981. Of these, almost 1.5 million were located in urban centres of 10,000 population and over. The largest group of owners of this potentially convertible urban stock are families with children - this group accounts for over half the urban stock (764,100 units). The next largest group are the empty-nesters and elderly (273,500 units) and absentee owners (211,000 units). Together, these groups account for 82 percent of the urban convertible housing stock.

Referring to the groups which were identified as being potentially most attracted to conversion of their dwelling, it is clear that the largest potential group is the empty-nester and the elderly group; most of the other groups account for only a relatively small proportion of the convertible stock:

- Empty-nesters and the elderly own 273,500 units or 19.1 percent of the urban convertible stock;
- Young singles own 18,200 units or 1.3 percent of the stock;
- Young couples (in total) own 56,700 units or 4.0 percent of the stock - but many of these will be intending to raise their family in their current dwelling and thus will be less attracted to conversion;
- Single-parent families own 75,200 units or 5.3 percent of the convertible stock; and
- Middle-aged singles and couples own 82,800 units or 5.8 percent of the convertible stock.

In all, the groups identified as being potentially attracted to conversion own 506,400 units or 35.5 percent of the convertible stock.

There is a group in the table which is not covered in the outline of groups provided in Section 2.0: multiple family households. These households are already living in a Model 1 type of conversion - i.e., they have altered a ground-oriented dwelling for use by two or more families. These types of households account for only 24,500 units or 1.7 percent of the convertible stock. It should be noted that these multiple family households cover only

Table 3.0: Owners Of Convertible Housing Stock
Ontario, 1981*

	000's of Dwelling Units		Percent Distribution	
	Urban Centres 10,000+	All Ontario	Urban Centres 10,000+	All Ontario
Absentee Owners	211.0	302.0	14.7	14.7
Young Owner- Occupants, Less Than 35 Years				
- Singles	18.2	25.3	1.3	1.2
- Couples	56.7	78.3	4.0	3.8
- Families (with children)	<u>162.2</u>	<u>243.2</u>	<u>11.3</u>	<u>11.8</u>
Total Young Owner- Occupants	237.1	346.8	16.6	16.8
Single-Parent Owner Families	75.2	102.7	5.3	5.0
Middle-Aged Owner- Occupants				
- Singles & Couples (35-54 Years with no children)	82.8	119.5	5.8	5.8
- Families (with children)				
- 35-54 years	421.9	585.7	29.5	28.4
- 55+ years	104.8	145.9	7.3	7.1
Empty-Nester Owners 55+ Years				
Singles and Couples (with no children)	273.5	427.7	19.1	20.7
Multiple-Family Owners	<u>24.5</u>	<u>30.1</u>	<u>1.7</u>	<u>1.5</u>
Total Owners	1,430.8	2,060.6	100.0	100.0

* Includes all occupied single-detached, semi-detached and row dwellings.

Source: Special tabulations from 1981 Census of Canada.

those households with two or more families.¹ Families with non-family persons (boarders etc.) as part of their household are not distinguished separately in Table 3.0.

3.2 Case Study Area

There are some dramatic differences among the owner profiles of convertible housing stock in the six case study areas selected for this study.

Highlights of Table 3.1 are as presented below:

- Absentee owners account for over one-quarter of the convertible stock in Ottawa and Kingston - a very high proportion compared to the Urban Ontario average. North York and Hamilton have very low proportions of absentee owners.
- Families (couples) with children account for a very small proportion of the convertible stock in Toronto (35.7 percent) Ottawa (35.4 percent) and Kingston (32.8 percent); whereas in North York (52.2 percent) they account for a relatively large proportion. For Urban Ontario as whole, they account for 48.1 percent of the stock.
- In Woodstock and Kingston, empty-nesters and the elderly account for over one-quarter of the convertible stock.
- The groups identified earlier as being potentially attracted to conversion of their dwellings account for the following proportion of the total convertible stock:

- Toronto: 39.4 percent
- North York: 32.7 percent
- Hamilton: 39.3 percent
- Ottawa: 34.8 percent
- Kingston: 35.4 percent
- Woodstock: 39.1 percent
- Urban Ontario: 35.5 percent

¹ The Census defines family as "a household and a wife (with or without children who have never married, regardless of age) or a lone parent, regardless of marital status, with one or more children (who have never married, regardless of age) living in the same dwelling". According to the Census, non-family persons are "not members of a census family. They may be related to the household head (e.g., brother-in-law, cousin) or unrelated (lodger, employee)".

Table 3.1: Percentage Distribution Of Ownership Of The Convertible Housing Stock, Ontario, 1981* (Percent)

	Toronto	North York	Hamilton	Ottawa	Kingston	Woodstock	Total Study Area	Urban Ontario
Absentee Owners	21.1	11.7	13.9	28.9	25.4	17.6	18.4	14.7
Young Owner-Occupants, Less Than 35 Years								
- Singles	2.5	0.7	1.2	1.2	0.9	1.3	1.5	1.3
- Couples	3.6	2.5	3.7	3.0	2.7	2.7	3.1	4.0
- Families (with children)	6.4	6.6	11.0	5.7	6.4	13.5	7.4	11.3
Total	12.5	9.8	15.9	9.9	10.0	17.5	12.0	16.6
Single-Parent Owner Families	6.3	5.4	5.4	5.4	5.5	4.0	5.7	5.3
Middle-Aged Owner-Occupants								
- Singles & Couples (35-54 Years with no children)	6.8	5.1	5.6	5.6	6.4	5.4	5.9	5.8
- Families (with children)								
- 35-54 years	21.7	34.3	26.0	21.5	19.1	23.0	25.9	29.5
- 55+ years	7.6	11.3	8.4	8.2	7.3	5.4	8.8	7.3
Empty-Nester Owners 55+ Years								
Singles and Couples (no children)	20.2	19.0	23.4	19.6	25.4	25.7	20.7	19.1
Multiple-Family Owners	3.8	3.4	1.4	0.9	0.9	1.4	2.6	1.7
Total Owners	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Includes all occupied single-detached, semi-detached and row dwellings.

Source: Special tabulations from 1981 Census of Canada.

APPENDIX

TABLES

Appendix Table A-1
 Characteristics Of Owners Of The Convertible Housing Stock, 1981 (000's)*

	Toronto	North York	Hamilton	Ottawa	Kings-ton	Wood-stock	Total Study Areas	Urban Ontario	Ontario
Absentee Owners	23.5	11.5	9.7	16.6	2.8	1.3	65.4	211.0	302.2
Young Owner-Occupants, Less Than 35 Years									
- Singles	2.8	0.7	0.8	0.7	0.1	0.1	5.2	18.2	25.3
- Couples	4.0	2.4	2.6	1.7	0.3	0.2	11.2	56.7	78.3
- Families (with children)	7.1	6.5	7.7	3.3	0.7	1.0	26.3	162.2	243.2
Total	13.9	9.6	11.1	5.7	1.1	1.3	42.7	237.1	346.8
Single-Parent Owner Families	7.0	5.3	3.8	3.1	0.6	0.3	20.1	75.2	102.7
Middle-Aged Owner-Occupants									
- Singles & Couples (35-54 Years with no children)	7.6	5.0	3.9	3.2	0.7	0.4	20.8	82.8	119.5
- Families (with children)									
- 35-54 years	24.2	33.6	18.2	12.4	2.1	1.7	92.2	421.9	585.7
- 55+ years	8.5	11.1	5.9	4.7	0.8	0.4	31.4	104.8	145.9
Empty-Nester Owners 55+ Years									
Singles and Couples (with no children)	22.5	18.6	16.4	11.3	2.8	1.9	73.5	273.5	427.7
Multiple-Family Owners	4.3	3.3	1.0	0.5	0.1	0.1	9.3	24.5	30.1
Total Owners	111.5	98.0	70.0	57.5	11.0	7.4	355.4	1,430.8	2,060.6

* Includes all occupied single-detached, semi-detached and row dwellings.

Source: Special tabulations from 1981 Census of Canada.

Appendix Table A-2

Owners Of The Convertible Housing Stock As A Percentage Of Total Households In Each Group 1981 (Percent)*

	Toronto	North York	Hamilton	Ottawa	Kings-ton	Wood-stock	Study Areas	Urban Ontario	Ontario
Young Owner-Occupants, Less Than 35 Years									
- Singles	6.1	4.4	7.3	3.3	2.9	14.3	5.3	8.3	10.3
- Couples	23.5	18.6	33.8	17.9	20.0	33.3	22.8	34.6	38.2
- Families (with children)	47.7	35.5	62.1	40.2	43.8	76.9	46.4	60.9	63.6
Total	17.8	20.4	35.8	14.7	16.7	50.0	20.9	36.5	41.6
Single-Parent Family Households	38.3	29.0	36.5	28.2	27.3	37.5	33.0	39.5	44.0
Middle-Aged Households									
- Singles & Couples (35-54 Years with no children)	21.9	29.6	38.6	23.9	35.0	66.7	26.8	40.1	46.7
- Families (with children)									
- 35-54 years	72.0	71.0	82.7	68.1	72.4	85.0	73.2	81.8	83.3
- 55+ years	77.3	79.3	85.5	72.3	80.0	80.0	78.7	83.6	85.5
Empty-Nester Households 55+ Years									
Singles and Couples (with no children)	37.4	43.5	50.9	34.1	42.4	61.3	41.3	50.8	58.2
Multiple-Family Households	75.4	75.0	76.9	71.4	100.0	100.0	75.6	78.3	79.2
Total Households	46.2	51.4	61.5	47.2	51.4	76.3	50.9	63.4	69.4

Source: Special tabulations from 1981 Census of Canada.

Appendix Table A-3
Characteristics Of Total Owner Households, 1981 (000's)*

	Toronto	North York	Hamil-ton	Ottawa	Kings-ton	Wood-stock	Study Areas	Urban Ontario	Ontario
Young Owner-Occupants, Less Than 35 Years									
- Singles	3.6	1.4	1.0	1.3	0.2	0.1	7.6	23.7	31.9
- Couples	4.4	3.0	2.8	2.0	0.3	0.3	12.8	61.3	84.7
- Families (with children)	7.6	7.5	8.0	3.6	0.7	0.9	28.3	169.3	255.6
Total	15.6	11.9	11.8	6.9	1.2	1.3	48.7	254.3	372.2
Single-Parent Family Households									
	7.6	6.4	4.1	3.5	0.7	0.4	22.7	82.3	111.4
Middle-Aged Households									
- Singles & Couples (35-54 Years with no children)	9.7	7.2	4.4	4.4	0.8	0.4	26.9	97.8	137.5
- Families (with children)									
- 35-54 years	25.8	36.0	18.8	13.2	2.2	1.7	97.7	437.5	606.8
- 55+ years	9.1	11.8	6.1	5.1	0.8	0.4	33.3	109.5	151.8
Empty-Nester Households 55+ Years									
Singles and Couples (with no children)									
	25.9	22.2	17.9	14.0	3.3	2.1	85.4	305.3	467.7
Multiple-Family Households									
	4.6	3.5	1.1	0.5	0.5	0.1	9.9	25.8	31.6
Total Households	98.3	99.0	64.2	47.6	9.1	6.4	324.6	1,312.5	1,879.0

Source: Special tabulations from 1981 Census of Canada.

Appendix Table A-4
Characteristics Of Total Renter Households, 1981 (000's)*

	Toronto	North York	Hamil-ton	Ottawa	Kings-ton	Wood-stock	Study Areas	Urban Ontario	Ontario
Young Owner-Occupants, Less Than 35 Years									
- Singles	42.6	14.4	9.9	19.8	3.3	0.6	90.4	195.7	213.5
- Couples	12.6	9.9	4.9	7.5	1.2	0.3	36.4	102.4	120.4
- Families (with children)	7.3	10.8	4.4	4.6	0.9	0.4	28.4	97.1	126.7
Total	62.3	35.1	19.2	31.9	5.4	1.3	155.2	395.2	460.6
Single-Parent Family Households	10.7	11.9	6.3	7.5	1.5	0.4	38.3	108.1	122.1
Middle-Aged Households									
- Singles & Couples (35-54 Years with no children)	25.0	9.7	5.7	9.0	1.2	0.2	50.8	108.5	118.6
- Families (with children)									
- 35-54 years	7.8	11.3	3.2	5.0	0.7	0.3	28.3	78.3	96.6
- 55+ years	1.9	2.2	0.8	1.4	0.2	0.1	6.6	15.8	18.9
Empty-Nester Households 55+ Years									
Singles and Couples (with no children)	34.2	20.6	14.3	19.1	3.3	1.0	92.5	232.8	267.6
Multiple-Family Households	1.1	0.9	0.2	0.2	0.0	0.0	2.4	5.5	6.4
Total Households	143.0	91.7	49.7	74.1	12.3	3.3	374.1	944.2	1,090.8

Source: Special tabulations from 1981 Census of Canada.

Appendix Table A-5
 Characteristics Of Total Households, 1981 (000's)*

	Toronto	North York	Hamil-ton	Ottawa	Kings-ton	Wood-stock	Study Areas	Urban Ontario	Ontario
Young Owner-Occupants, Less Than 35 Years									
- Singles	46.0	15.8	10.9	21.1	3.5	0.7	98.0	219.4	245.4
- Couples	17.0	12.9	7.7	9.5	1.5	0.6	49.2	163.7	205.1
- Families (with children)	14.9	18.3	12.4	8.2	1.6	1.3	56.7	266.4	382.3
Total	77.9	47.0	31.0	38.8	6.6	2.6	203.9	649.5	832.8
Single-Parent Family Households	18.3	18.3	10.4	11.0	2.2	0.8	61.0	190.4	233.5
Middle-Aged Households									
- Singles & Couples (35-54 Years with no children)	34.7	16.9	10.1	13.4	2.0	0.6	77.7	206.3	256.1
- Families (with children)									
- 35-54 years	33.6	47.3	22.0	18.2	2.9	2.0	126.0	515.8	703.4
- 55+ years	11.0	14.0	6.9	6.5	1.0	0.5	39.9	125.3	170.7
Empty-Nester Households 55+ Years									
Singles and Couples (with no children)	60.1	42.8	32.2	33.1	6.6	3.1	177.9	538.1	735.3
Multiple-Family Households	5.7	4.4	1.3	0.7	0.1	0.1	12.3	31.3	38.0
Total Households	241.3	190.7	113.9	121.7	21.4	9.7	698.7	2,256.7	2,969.8

Source: Special tabulations from 1981 Census of Canada.

Appendix Table A-6
Percentage Distribution Of Total Households, 1981 (Percent)

	Toronto	North York	Hamil-ton	Ottawa	Kings-ton	Wood-stock	Study Areas	Urban Ontario	Ontario
Young Owner-Occupants, Less Than 35 Years									
- Singles	19.1	8.3	9.6	17.4	16.3	7.2	14.0	9.7	8.2
- Couples	7.0	6.8	6.7	7.8	7.0	6.2	7.1	7.3	6.9
- Families (with children)	6.2	9.6	10.9	6.7	7.5	13.4	8.1	11.8	12.9
Total	32.3	24.7	27.2	31.9	30.8	26.8	29.2	28.8	28.0
Single-Parent Family Households	7.6	9.6	9.1	9.0	10.3	8.2	8.7	8.4	7.9
Middle-Aged Households									
- Singles & Couples (35-54 Years with no children)	14.4	8.9	8.9	11.0	9.3	6.2	11.1	9.1	8.6
- Families (with children)									
- 35-54 years	13.9	24.8	19.3	15.0	13.6	20.6	18.0	22.9	23.7
- 55+ years	4.6	7.3	6.1	5.3	4.7	5.2	5.7	5.6	5.7
Empty-Nester Households 55+ Years									
Singles and Couples with no children	24.9	22.4	28.3	27.2	30.8	32.0	25.5	23.8	24.8
Multiple-Family Households	2.3	2.3	1.1	0.6	0.5	1.0	1.8	1.4	1.3
Total Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Special tabulations from 1981 Census of Canada.

PART 3.3.2

THE ATTITUDES & WILLINGNESS OF HOMEOWNERS TO UNDERTAKE CONVERSIONS

Prepared by:
Environics Research Group

3.3.2 THE ATTITUDES & WILLINGNESS OF HOMEOWNERS TO UNDERTAKE CONVERSION

1.0 EXECUTIVE SUMMARY

1.1 Introduction

Conversion of space in houses is starting to be recognized by municipalities and other levels of government as an important source of supply of rental accommodation. Conversion is generally seen as having a number of advantages over other forms of rental housing, not the least of which is the relatively minimal disruption of residential areas in which conversion takes place. This is particularly the case when conversion occurs in owner-occupied dwellings as opposed to the complete conversion of houses by absentee-landlords.

If the potential of conversion, especially conversion by homeowners, to augment the supply of rental accommodation is to be realized, the process must be better understood. Certainly, much is already known about conversion after the fact, its effect on residential neighbourhoods and advantages and disadvantages in comparison to other forms of rental accommodation. Relatively little is known, however, about the process from the viewpoint of actively promoting and encouraging homeowners to convert or rent out space in their homes.

The objective of this study is to provide some insight to the opportunities and constraints in encouraging homeowners to become landlords. Of specific interest are factors involved in persuading homeowners to supply rental accommodation by either renting out rooms or converting space into self-contained apartments in their homes. Homeowners in three Ontario municipalities were interviewed in order to provide information for this study; i.e.,

- Toronto, an older urban area;
- North York, a more suburban area;
- Kingston, a smaller Ontario municipality.

In Toronto and North York, the study was conducted in two stages:

- a screening questionnaire was administered by telephone to 512 homeowners who were not landlords, in order to establish general household and dwelling unit characteristics and attitudes toward renting out space in one's house;
- a telephone follow-up questionnaire was administered to 194 homeowners from the original respondents in order to more fully investigate opportunities and constraints in encouraging homeowners to supply rental accommodation.

In Kingston, 102 homeowners were interviewed by telephone using a questionnaire which combined the questions used on the Toronto and North York screening and follow-up questionnaire.

1.1.1 Homeowner Types

Homeowners in each of the municipalities were initially classified in terms of four major household types in order to provide a more generalized basis for the interpretation of the study results; i.e.,

- . recent buyers - homeowners who had purchased their present house within the last 5 years or so. These households were, for the most part, in their mid to late 30's, with an average household size of 2 persons. Recent buyers in Toronto tended to have higher incomes and be somewhat older than recent buyers in Kingston. Almost all households in this group had mortgages on their homes.
- . mature families - this group of homeowners tend to be in their late 40's. Most had lived in their homes for about 10 years. Most were also family households with children. Average household income was generally less than incomes of recent buyers in Toronto and North York. In Kingston, little difference in incomes between recent buyers and mature families was evident. Only about 1/2 to 2/3 of the mature family households had mortgages on their homes.
- . empty-nesters - homeowners in this group tended to be elderly couples in their late 50's or early 60's who had lived in their present homes for around 20 to 25 years. Incomes of these households was generally less than for the previous two groups in Toronto and North York. In Kingston, however, incomes tended to be higher.
- . seniors - these were mostly one or two person households well into their 70's. The average length of residency for seniors in Toronto was considerably longer than in Kingston (46 years vs. 23 years, respectively). Incomes were, in general, quite low.

The occurrence of these household types varied somewhat amongst municipalities. Toronto tended to have more recent buyers and fewer mature families than North York. Kingston was somewhere in between, but had fewer empty nester households than the larger centres; i.e.,

<u>Household Type</u>	<u>Municipality</u>		
	<u>Toronto</u>	<u>North York</u>	<u>Kingston</u>
Recent buyers	36%	19%	37%
Mature families	30	58	41
Empty nesters	25	23	13
Seniors	9	0	9
	100%	100%	100%

Hardly any seniors were found in North York.

1.1.2 Supply Potential

In Toronto and North York, homeowners from each of the four household types were selected for the follow-up survey. Homeowners who were re-interviewed were ones thought to be more likely to consider converting or renting out rooms on the basis of perceived advantages in renting out, and the perceived disadvantages of dwelling unit size. In Kingston, all homeowners were questioned as to whether or not they would consider becoming landlords.

Basically, two questions were asked of homeowners in order to assess the likelihood of their renting out space in their homes: whether they would ever consider renting out a room and whether they would ever consider converting part of their houses into a self-contained apartment with its own kitchen and bath. Response to these questions varied little amongst the municipalities; i.e.,

. consider renting out room	(1) yes	9-11%
	(2) maybe/dont' know	5-10%
	(3) no	81-84%
. consider converting	(1) yes	5- 6%
	(2) maybe/don't know	2- 3%
	(3) no	92%

Approximately twice as many homeowners would consider renting out just a room than converting space into an apartment. About 1/2 of those who would consider renting a room would, however, also consider converting. This relationship tended to hold across municipalities, but in Toronto and North York, homeowners who would consider both renting a room and converting would prefer to convert. In Kingston, however, these homeowners are more likely to prefer renting just a room because of the cost of converting. Generally, homeowners who prefer to just rent a room tend to be older than potential converters. It is understandable that for these households, the expense and bother of converting space in their homes would be a more onerous undertaking than for younger households.

If one considers the potential supply of rental accommodation as consisting of homeowners who would consider renting or converting, then considerable supply potential exists. Approximately 12% of the homeowners interviewed in Toronto, North York and Kingston would consider becoming landlords. Although this proportion did not vary substantially amongst the municipalities, some difference was evident in terms of the types of households who would consider renting or converting; i.e.,

Homeowners who would consider renting a room or converting

<u>Household Type</u>	<u>Municipality</u>	
	<u>Toronto and North York</u>	<u>Kingston</u>
Recent buyers	42%	38%
Mature families	13	34
Empty nesters	38	28
Seniors	8	0
	100%	100%

Potential suppliers of rental accommodation in North York and Toronto were more likely to be either recent buyers or empty nester households. In Kingston, these two household types were also likely to be represented amongst potential suppliers and also mature family households, which was not the case in Toronto and North York. Very few senior households were found amongst the potential supply groups in any of the municipalities, due in part to the fact that senior households constituted only a small proportion of the households in these municipalities.

1.2 Supply Characteristics

There would appear to be two major reasons why a homeowner would consider renting out space in his home--financial reasons, in terms of the revenue resulting from renting out space, and the availability of space in the home. The major reasons for not considering renting out space are an unwillingness to give up one's privacy and a lack of rentable space in the house.

These reasons tend to be supported by some of the differences in household characteristics between those who would consider renting and converting, and those who would not. Homeowners who fall into the potential supplier group are more likely to have rooms in their houses that are hardly ever used. They are also more likely, especially in Toronto and North York, to be experiencing difficulty in meeting their mortgage payments. To some extent, more so in Kingston than in Toronto and North York, homeowners who would consider renting out were more likely to be living on streets where some conversions were taking place; i.e.,

Household Characteristics	Consider		Renting		Out	
	Toronto and North York		Kingston		Yes	No
	Yes	No	Yes	No		
Unused rooms	45%	33%	50%	21%		
Difficulty with mortgage	50	22	11	8		
Conversions on street	43	38	42	19		

Other household characteristics were generally less useful in distinguishing potential landlords from other households. Potential landlords in Toronto and North York tended to be either younger households who had purchased their homes within the last 5 years, or older households who had been living in their homes for over 20 years; i.e., either recent buyers or empty nesters. In Kingston, potential landlords tended to fall somewhere between these two extremes. Households who would consider renting out in Kingston were mostly family households with children. The average age of household heads in this group was 46 years, suggesting that extra space would become available in these households in the near future when children move out.

1.2.1 Rental Unit Characteristics

Homeowners who would or might consider renting out a room in their house would, by and large, consider renting out only a single room. This is true in Toronto and North York, as well as in Kingston. A difference between these municipalities is, however, the location of that room in the house. Judging from where unused rooms are located in the house, homeowners in Toronto and North York would most likely rent out upper floor rooms; homeowners in Kingston would more likely rent out rooms in the basement.

Another difference between municipalities was the provision of parking for tenants. Parking would appear to be much less of a problem in Kingston, where all potential landlords could provide either off-street or on-street parking. In Toronto, 1/3 of homeowners who would or might consider renting a room could not provide any parking.

In terms of who potential landlords would consider renting to, considerable similarity existed amongst municipalities. The most important tenant traits mentioned by homeowners were good character, trustworthiness, and compatibility with the host household. Younger tenants were generally preferred to elderly tenants. Whether tenants were male or female did not make a substantial difference.

Many of the potential landlord groups, especially in Kingston, had no idea of how much rent they could get for a room in their house. The average estimated rent in Toronto and North York was \$174. a month; in Kingston, \$117. a month.

Only about half as many homeowners would consider converting space in their houses into self-contained apartments as would consider renting out a room. Converting is a much more expensive undertaking and it is understandable that fewer households, especially elderly households, would want to incur such expenses and the associated risks. Evident from the cost estimates of converting given by those homeowners who would or might consider this, is that most homeowners severely underestimate the cost. In Toronto and North York, average cost estimates were \$5,800. and in Kingston, homeowners estimated the cost to be around \$7,400. Unless most of the conversion work has already been done, the cost estimates provided by homeowners are probably under by about 50%.

Financing of conversion costs would, for most homeowners, come from either savings or a loan. In Toronto and North York, homeowners were more likely to consider having a contractor do the work than in Kingston, where about 1/2 the homeowners would likely do the work themselves.

Most homeowners who would or might consider converting would convert basement space into an apartment. Parking and use of the backyard would be provided by most potential landlords. Single persons of any age, and childless couples were the preferred tenant types in Toronto, North York and Kingston. Children, single parents, and couples of the same sex were preferred by only a minority of potential landlords. The average rents expected for these apartments were \$427. a month in Toronto and North York and \$257. a month in Kingston.

1.3 Implications

A major reason for choosing to investigate the conversion potential in three Ontario municipalities was to see if major differences existed amongst various types of municipalities. Overall, the proportion of homeowners who would consider renting out space did not vary significantly amongst the municipalities. About 10% of the households in Toronto, North York and Kingston would consider becoming landlords. Differences in propensity to rent out were more a function of household type than specific municipality. In each of the municipalities, the likelihood that households of a particular household type would either consider renting out a room or converting space into an apartment was as follows:

Likelihood of renting out

<u>Household Type</u>	<u>Municipality</u>	
	<u>Toronto and North York</u>	<u>Kingston</u>
Recent buyers	12%	11%
Mature families	7	10
Empty nesters	16	8
Seniors	14	0

In Toronto and North York, mature families were less likely to consider renting out than other household types and, in Kingston, senior households were not at all likely to consider renting out. When likelihood of renting out is weighted by the proportionate distribution of the household types in each municipality, it is apparent that the overall similarity in likelihood of renting out is largely due to differences in types of households in each municipality; i.e.,

Proportion of households who would consider renting out

<u>Household Type</u>	<u>Municipality</u>		
	<u>Toronto</u>	<u>North York</u>	<u>Kingston</u>
Recent buyers	4%	2%	4%
Mature families	2	4	4
Empty nesters	4	4	2
Seniors	1	0	0

In Toronto, most of the supply potential of converted units is likely to be from recent buyers and empty nesters due in part to the fact that these household types are more likely to consider renting out and also because there are relatively fewer mature family households.

In North York, most of the supply potential is likely to come from mature families and empty nesters due to the predominance of mature family households and fewer recent buyer households in North York. In Kingston, there are relatively fewer empty nester households and more recent buyer and mature family households. This in part explains why most of the potential supply is likely to come from the latter two household types in this municipality.

Most homeowners who would consider converting part of their house into an apartment would also consider renting out a room. However, only about half the homeowners who would consider renting a room would consider converting. Homeowners who would consider just renting a room tend to be older households, so it is somewhat doubtful whether such households could be persuaded to undertake the risk and expense involved in conversion.

Cost of conversion is a constraint recognized by many homeowners who would consider converting, even though the actual costs are probably underestimated by these potential landlords. It would appear that if the supply of rental accommodation by conversion is to be encouraged, some form of government financial assistance is required along with revisions to building codes and regulations.

The potential supply of additional rental accommodation that could be supplied through conversion and renting of rooms is quite substantial. If homeowners get the type of tenants they prefer, the rental supply for single persons and couples would be considerably increased. The type of accommodation that could be provided would, in most cases, be at lower rents than other forms of rental housing, but most of the potential apartments that would be created through conversion would be basement suites. Whether or not other amenities of living in a house, or lower rental costs can overcome the generally perceived disadvantages of basement suites should be very much a concern in promoting this type of rental accommodation. This possible drawback of conversions by homeowners is investigated in a subsequent report.

2.0 PART ONE: TORONTO AND NORTH YORK HOMEOWNERS

The results of Toronto and North York homeowners' part of the study are based on information obtained from a randomly selected sample of homeowners in Toronto and North York. Homeowners included in the sample were not renting out part of their homes at the time of the study. Information was collected in two stages:

- a screening questionnaire administered by telephone to 512 homeowners in order to establish general household and dwelling unit characteristics and attitudes toward renting out part of their homes;
- a telephone follow-up questionnaire administered to 194 homeowners from the original sample in order to more fully investigate opportunities and constraints in supplying new rental accommodation.

2.1 Homeowner Types

The analysis of the screening questionnaire resulted in the identification of 8 homogeneous groups of homeowners based on the following factors:

- household characteristics: i.e., length of residency, age of household head, household income, mortgage payments;
- concerns about loss of privacy in renting out part of their homes;
- concerns about loss of space in renting out part of their homes;
- concerns about potential tenant problems in renting out part of their homes;
- size of homes, particularly the number of storeys.

These 8 groups were more or less representative of four major household types; i.e.,

Recent Buyers (29%)

- there are two groups of recent buyers, distinguished primarily by their household characteristics and attitudes toward renting out

<u>Characteristics</u>	<u>Group One (20%)</u>	<u>Group Two (9%)</u>
. average length of residency	3.7 years	4.8 years
. average age of household head	37 years	39 years
. median household income	\$44,000.	\$40,000.
. median household size	2.7 persons	3.1 persons
. mortgage on house (yes)	93%	81%
. number of storeys - 1	14%	30%
- 1-1/2	10%	7%
- 2 or more	76%	63%
. disadvantages in renting out (yes)	100%	100%
- loss of privacy	100%	0%
- loss of space	9%	91%
- potential tenant problems	13%	7%

Both groups tend to consist of recent purchasers of older homes (average age of unit 44 years). Slightly over 1/3 (36%) of group two households are aware of conversions on their street and 43% of group one households noted the same. While both groups tend to see a financial advantage in renting out part of one's home, the major difference between the two groups is the perceived disadvantage in renting out. Loss of privacy is the major concern of group one households and loss of space the major concern of group two.

Mature Families (44%)

- . three groups, on the basis of age and household size, can be considered as representative of mature family households

<u>Characteristics</u>	<u>Group One (17%)</u>	<u>Group Two (15%)</u>	<u>Group Three (12%)</u>
. average length of residency	8.5 years	13.4 years	9.9 years
. average age of household head	49 years	51 years	49 years
. median household income	\$35,000.	\$26,000.	\$36,000.
. median household size	3.2 persons	3.0 persons	3.2 persons
. mortgage on house (yes)	62%	42%	54%
. number of storeys - 1	40%	45%	41%
- 1-1/2	14%	5%	9%
- 2 or more	45%	50%	61%
. disadvantages in renting out (yes)	100%	0%	98%
- loss of privacy	100%	0%	0%
- loss of space	8%	0%	0%
- potential tenant problems	11%	0%	49%

Major differences amongst the three groups of mature family households are the perceived disadvantages of renting out. Group one households are mostly concerned about the loss of privacy and about half of group three households fear potential tenant problems. Group two households mentioned no particular disadvantages, but only 22% of these households saw any advantage in renting out as compared to 45% and 40% for groups one and three respectively. Only 7% to 9% of mature family households knew of converted units or rooms being rented out on their streets.

Empty Nesters (25%)

- . two empty nester household groups were identified in the analysis. Differences between the two groups were in household income and perceived disadvantages in renting out.

<u>Characteristics</u>	<u>Group One (10%)</u>	<u>Group Two (15%)</u>
. average length of residency	25.1 years	21.3 years
. average age of household head	64 years	59 years
. median household income	\$25,000.	\$32,000.
. median household size	2.0 persons	2.0 persons
. mortgage on house (yes)	0%	0%
. number of storeys - 1	35%	28%
- 1-1/2	12%	13%
- 2 or more	53%	58%
. disadvantages in renting out (yes)	100%	100%
- loss of privacy	0%	100%
- loss of space	48%	8%
- potential tenant problems	39%	11%

Group one of the empty nester households contains considerably more retired homeowners which accounts for the differences in household incomes. The major disadvantages perceived by group one in renting out part of one's house are the loss of space and potential tenant problems. Group two is primarily concerned about loss of privacy. In both groups, about one in five households are aware of conversions and rooms being rented on their street.

Seniors (5%)

- . the smallest of all household types were elderly homeowners living by themselves. Only one group was found in this household type.

Characteristics

. average length of residency	46.3 years
. average age of household head	74 years
. median household income	\$15,000.
. median household size	1.1 persons
. mortgage on house (yes)	0%
. number of storeys - 1	17%
- 1-1/2	25%
- 2 or more	59%
. disadvantages in renting out (yes)	91%
- loss of privacy	86%
- loss of space	24%
- potential tenant problems	19%

Households in this group consisted mostly of elderly widows living on pensions. Loss of privacy was seen as the major disadvantage in renting out part of their homes by this group; 38% knew of houses on their street where space was being rented.

2.2 Selection for Follow-up

A number of questions were asked on the screening questionnaire to probe respondents' attitudes toward renting out part of their house. Respondents were asked whether they had ever considered renting out part of their home. In total, only 8% had ever considered this. Responses did not vary substantially amongst homeowner types, i.e.,

<u>Ever Considered Renting Out (yes)</u>			
<u>Recent Buyers:</u>	group one	12%	12%
	group two	9%	
<u>Mature Families:</u>	group one	2%	
	group two	7%	6%
	group three	9%	
<u>Empty Nesters:</u>	group one	8%	7%
	group two	7%	
<u>Seniors:</u>		8%	

Least likely to have ever considered renting out were mature families who value their privacy. Most likely were recent buyers who, however, also saw loss of privacy as a major disadvantage in renting out.

Respondents were also asked whether they perceived any advantages in being able to rent out part of their house. Those who did see some advantage mostly mentioned the financial benefits. The degree to which advantages were seen did however, vary significantly amongst homeowner types, i.e.,

See Advantages in Renting Out (yes)			
Recent Buyers:	group one	60%	51%
	group two	30%	
Mature Families:	group one	45%	
	group two	22%	36%
	group three	40%	
Empty Nesters:	group one	33%	
	group two	43%	39%
Seniors:		29%	

Group one of the recent buyer group was the most likely homeowner group to see the financial advantage of renting out part of one's house. This group tended to have a smaller household size than any of the mature family households or the other recent buyer group.

On the basis of the screening questionnaire results, it was decided to conduct in-depth, follow-up interviews with one group of homeowners from each of the four homeowner types. The groups chosen were ones who were more likely to have perceived advantages in renting out, less likely to have mentioned loss of space as a disadvantage and who were more likely to be living in units with more than one storey: i.e.,

- . recent buyers - group one
- . mature families - group three
- . empty nesters - group two
- . seniors

The results of the follow-up interviews are discussed in the following sections of this report in terms of:

- . dwelling unit characteristics;
- . household characteristics;
- . distinguishing characteristics of potential suppliers

3.0 SUPPLY CHARACTERISTICS - Toronto & North York

A total of 194 households were re-interviewed in the follow-up survey. The objectives in re-interviewing households initially contacted in the screening survey were primarily to determine the likelihood of these households renting out part of their homes and the characteristics of such rental accommodation.

Respondents were divided into three groups on the basis of whether or not they would ever consider renting out a room in their house or converting part of their house into an apartment: i.e.,

. Yes - would consider renting room or converting	12%
. Maybe - would consider renting room or converting	7%
. No - would not consider renting room or converting	81%

Approximately one out of ten households would consider renting out a room in their house or converting space in their house into an apartment, and 7% stated they may consider such actions depending on future circumstances. Characteristics of these two household groups and the rental accommodation they would provide are presented below.

3.1 Dwelling Unit Characteristics

Present dwelling unit characteristics:

. dwelling unit type - detached	68%
. number of storeys - 1	19%
- 1-1/2	16%
- 2	45%
- over 2	21%
. average number of rooms	11.0 rooms
. average number of bedrooms	3.3
. average number of unused rooms	0.8
. average number of unused bedrooms	0.3
. additional space finished by owner (yes)	66%
. additional rooms added by owner (yes)	13%

Households who would consider renting out a room or converting space into an apartment tend to live in houses of two or more storeys. Almost 1/2 (47%) have at the present time, rooms in their houses which are hardly ever used. These unused rooms tend to be bedrooms on the second or third floors of the house, and to a lesser extent, basement rec rooms.

A small proportion of homeowners in this potential supplier group had converted unfinished space in their homes into living or sleeping areas. In about 8% of the cases, attic space had been finished off and a similar number of households had completed their basement areas. Only a few households had added additional rooms to the exterior of their house; i.e. sunroom, family room, bedroom or basement extension.

3.2 Rental Unit Characteristics

Households in this potential supply group were more likely to consider renting out a room (64%) than converting part of their house into an apartment (42%). Slightly more than 1/3 (38%) would consider either of these prospects, but most of these households (89%) would prefer creating an apartment primarily because this would result in more privacy. Characteristics of potential rental accommodation are described below.

3.2.1 Rooms for rent

Rental Accommodation Characteristics

• average number of rooms available	1.3 rooms
• parking location for tenants	
- driveway	50%
- street	27%
- garage	10%
- backyard	4%
- no parking available	33%
• preferred tenant types	
- younger male	57%
- younger female	57%
- older male	20%
- older female	27%
• most important tenant traits	
- trustworthy	18%
- personality	15%
- compatible with landlord	12%
- known by landlord	9%
• expected average monthly rent	\$174.

Most households who would consider renting out a room, would only rent out one room in their house (73%); 20% would rent out two rooms; 3%, three rooms. Given the location of unused rooms in their houses, rented rooms would most

likely be located on upper floors and in a few cases, in the basement. Presumably, chamber pots would be provided for tenants, given few unused W.C.'s on these floors.

Two-thirds of the households would be able to provide parking for roomers or boarders. Parking would mostly be located in the driveway or on-street.

There appears to be a definite preference for younger adults as tenants as opposed to older persons. Tenant sex does not seem to play a major role in preferences. The most important tenant characteristics are trustworthiness, personality, and compatibility with the host household.

Many households (42%) did not know how much rent they could receive for a room in their house. The average estimate given was \$174. a month; rent estimates ranged from \$120. to \$400. a month.

3.2.2 Apartments for rent

Rental Accommodation Characteristics

. location in house	- basement	72%
	- 2nd floor	11%
. separate private entry - yes		78%
. tenant use of backyard - yes		67%
. parking location for tenant		
- driveway		45%
- street		45%
- no parking available		19%
. preferred tenant types		
- younger male		44%
- younger female		50%
- single parent with child		33%
- young couple		50%
- two younger friends		39%
- couple with small child		33%
- couple with older child		28%
- older couple		56%
- older single person		56%
. most important tenant traits		
- quiet		17%
- clean		17%
- trustworthy		17%
. expected average monthly rent		\$427.

Only about half as many households (9%) saw some possibility of their converting space in their house with an apartment than would consider renting out a room (19%). This is understandable given considerably more risk and expense involved with such an undertaking as opposed to renting out a room. Even those households who would consider converting saw potential difficulties arising because of costs (22%), not knowing what kind of tenants one would have (22%), legal/zoning problems (11%) or problems in providing utilities to an apartment in their house (11%).

Creating a basement apartment (72%) with its own private and separate entry (78%) would be the preferred option of most of these households. Most potential landlords would also supply parking for tenants (81%), either on the street or in the driveway; tenants would have access to the backyard in most cases (67%).

The average cost estimate of converting part of the house into an apartment was \$5,800. Estimates ranged from \$1,000 to \$25,000; 28% of the households had no idea of the costs involved. Financing of conversion costs would come either from household savings (39%) or a loan (17%) or both (17%). The actual work in half the cases would be done by a contractor found either by asking the recommendation of friends (58%) or by using one who had done work for the household on a previous occasion (25%). A number of households would either do all the conversion work by themselves (22%) or hire someone to help them (17%).

Quiet, clean and trustworthy tenants are the most preferred tenant types. Couples or singles in any age group are all right, except for young couples of the same sex. Children would not be welcomed by most prospective landlords.

Over 1/3 of the households who might consider converting (39%) had no idea as to how much rent they could receive from an apartment. The average figure mentioned was \$427., but estimates ranged from \$200. to \$700. a month.

2.3 Household Characteristics and Attitudes

Household characteristics

. average household size	2.9 persons
. children in home - yes	39%
. average age of household head	47 years
. marital status - single	21%
- married	65%
- other	14%
. median household income	\$38,000.
. more than one wage earner	57%
. mortgage on house	50%
. average monthly carrying costs	\$627.
. average length of residency	13 years

On the average, households who would or might consider becoming landlords have owned their present home for 13 years. There is a slight tendency for these households to either have purchased their home within the last 5 years or to have owned their home for more than 20 years. Slightly less than 1/2 (45%) are first time buyers.

Half the households have a mortgage on their home, with monthly payments averaging \$627.; 46% of these households confessed to having some difficulty in making their monthly payments.

Average household size is relatively small for a homeowner group; only 39% have children living at home and 35% are not married.

Household attitudes

. too much extra space in house	15%
. house becoming very difficult to afford	18%
. living in house is sometimes lonely	18%
. upkeep is very hard	18%
. won't need as much space in future	31%

All households were asked whether they agreed or not with a number of statements about their present housing accommodation. About one in five of the households who either would or might consider renting out space tended to agree with statements that suggested that their present dwelling unit did not meet their needs as well as it could. Almost 1/3 felt that they would need less space in the near future. Of those who expressed these sentiments, 25% thought that these problems might force them to move, although most of them would prefer to stay.

4.0 DISTINGUISHING CHARACTERISTICS - Toronto & North York

In the previous section, some of the major characteristics in terms of household characteristics and potential rental unit attributes of households who either would or might consider renting out part of their homes were presented. This section of the report discusses the reasons given by households in either renting out a room or converting part of their house into an apartment and reasons for not wanting to do so. The major distinguishing characteristics of households who have a propensity to become landlords are also discussed.

4.1 Reasons for Renting

Of the 194 households interviewed in the second stage of the survey, 11% stated that they would consider renting out a room in their house or taking in a roomer. The reasons for considering such a change in their lives were primarily related to monetary rewards, i.e.,

. financial reasons	61%
. if an acquaintance or relative needed a room	17%
. to look after the house	11%
. if an extra room was available	11%

On the basis of the reasons given for considering renting out a room, it would appear that about a fourth of the households in this category would only consider renting out under special circumstances.

Very few households were undecided as to whether or not they would consider renting out a room. For the 5% who were noncommittal, the decision to rent out would depend mainly on financial need (78%) or if a friend or relative needed a room (33%).

Households who would not consider renting out a room gave four major reasons for their answer:

. loss of privacy	52%
. no space in house	31%
. too many problems with tenants	17%
. no financial need	13%

Relatively fewer households (5%) would ever consider creating a private, self-contained apartment with its own kitchen and bathroom in part of their house and renting it out. The reasons given by households who would consider such an undertaking were again primarily related to financial benefits; i.e.,

. financial reasons	50%
. house has enough extra space	20%
. to increase the value of the house	10%

Reasons given for not considering converting part of one's house into an apartment were similar to those given for not considering renting out a room; i.e.,

. loss of privacy	31%
. no space in house	33%
. too many problems with tenants	10%

A number of respondents (7%) mentioned that conversion would be too costly for them.

Only three percent of households were undecided as to whether or not they would consider converting part of their house.

4.2 Potential Landlord Characteristics

In terms of the reasons given, financial motivation and need are cited by most households who would consider renting out part of their house. Financial need would appear to be more important for these households than the need for privacy or personal space; at least at the time of the survey. For households who would not consider renting out, the opposite seems to be true.

Aside from this major distinction, other household characteristics or traits are of limited usefulness in discriminating between households who would consider renting out and those who would not. Distinctions are, however, somewhat more pronounced if undecided households are excluded from the analysis.

Characteristics or attributes which have some discriminating value in identifying potential landlords are mostly related to household characteristics. Differences in terms of dwelling unit or neighbourhood characteristics are not very great. Differences between households who would and who would not consider renting out in terms of unused rooms, awareness of conversions on their street and municipality are not significant; i.e.,

	<u>Consider Renting Out</u>		
	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
• have rooms hardly ever used	45%	50%	33%
• conversions on street	38%	14%	28%
• municipality - Toronto	57%	54%	62%
- North York	43%	46%	38%

Household characteristics that do allow some discrimination between households who would or would not consider renting out are primarily related to household size and mortgage payments, and perceived advantages in renting out; i.e.,

	<u>Consider Renting Out</u>		
	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
• average household size - persons	2.5	3.6	3.1
• children in home	29%	57%	55%
• marital status - married	48%	93%	75%
• mortgage on house	38%	71%	56%
• difficulty making payments if mortgage on house	50%	40%	22%
• see advantages in renting out	75%	71%	42%
• agree that very difficult to afford house	29%	0%	15%

Households who would consider renting out part of their house tend to be either younger or older households, i.e. under 35 years or over 55 years. In either case, few of these households have children living with them. Half the households who have mortgages on their homes are currently having difficulty making payments.

On a very general basis, it would appear that households who would consider renting out a room or converting part of their house into an apartment tend to be either younger childless couples or singles who are currently experiencing some financial difficulty in paying for their house, or empty nester households who could use rental money to supplement their incomes.

5.0 PART TWO: KINGSTON HOMEOWNERS

Kingston was chosen as a representative of smaller Ontario urban centres in order to provide a comparison to the results obtained in Toronto and North York. A questionnaire comprising an amalgamation of the Toronto and North York screening and follow-up questions was administered to a random sample of 102 Kingston homeowners. Respondents were interviewed by telephone and screened in order to ensure that they were not renting out part of their home or were landlords at the time of the survey.

5.1 Homeowner Types

Four household types were identified in the analysis of the Kingston questionnaires. These were quite similar in household and demographic characteristics to the Toronto and North York household types; i.e.,

Recent Buyers (37%)

Characteristics

. average length of residency	4 years
. average age of household head	35 years
. median household income	\$32,000.
. median household size	3.2 persons
. mortgage on house (yes)	92%
. number of storeys - 1	55%
- 1-1/2	8%
- 2 or more	37%
. would consider renting out room or apt. (yes)	11%
- no	81%
- maybe/don't know	8%

Recent buyers in Kingston tend to be living in bungalows or split-levels. Homes are on the average, 13 years old. Most households in the recent buyer group are families with children. About one in ten would consider renting out a room in their house or converting space into an apartment but preferably the former than the latter.

Mature Families (41%)

Characteristics

. average length of residency	10 years
. average age of household head	50 years
. median household income	\$33,000.
. median household size	3.1 persons
. mortgage on house (yes)	67%
. number of storeys - 1	69%
- 1-1/2	5%
- 2 or more	26%
. would consider renting out room or apt. (yes)	10%
- no	76%
- maybe/don't know	14%

Mature family households are similar to recent buyers in terms of household size, income, and likelihood to rent out a room or convert space into an apartment. Differences are mainly in age of household head, age of unit (average 18 years).

Empty Nesters (13%)

Characteristics

. average length of residency	23 years
. average age of household head	59 years
. median household income	\$38,000.
. median household size	1.9 persons
. mortgage on house (yes)	15%
. number of storeys - 1	53%
- 1-1/2	23%
- 2 or more	24%
. would consider renting out room or apt. (yes)	8%
- no	92%
- maybe/don't know	5%

The empty nester household group had the highest average income of any of the homeowner groups in Kingston. Most households of this type consisted of married couples in their late 50's or early 60's. Few had mortgages on their homes. Houses are, on the average, 29 years old and quite a few (23%) are storey and a half units. Less than one in ten (8%) would consider renting out a room or converting space into an apartment.

Seniors (9%)

Characteristics

. average length of residency	23 years
. average age of household head	77 years
. median household income	\$17,000.
. median household size	1.6 persons
. mortgage on house (yes)	0%
. number of storeys - 1	63%
- 1-1/2	25%
- 2 or more	12%
. would consider renting out room or apt. (yes)	0%
- no	89%
- maybe/don't know	11%

The smallest homeowner group is senior households. These households consist mainly of elderly couples well into their 70's, living on retirement incomes. Their homes are an average of 33 years old and generally consist of bungalows or split-levels. Some of these households (11%) might consider renting out a room under special circumstances but none would undertake converting space into an apartment.

The overall proportion of homeowners who would consider renting out a room in their house or converting part of their house into an apartment in Kingston is quite similar to the proportion found in Toronto and North York; i.e.,

. would consider renting out room - yes	9%
- no	81%
- maybe/don't know	10%
. would consider creating apt. - yes	6%
- no	92%
- maybe/don't know	2%

The analysis of Kingston homeowners who would or might consider renting out a room or an apartment is discussed in the following sections in terms of:

- . dwelling unit characteristics;
- . household characteristics;
- . distinguishing characteristics of potential suppliers.

6.0 SUPPLY CHARACTERISTICS - Kingston

Kingston homeowners were divided into three groups on the basis of whether or not they would ever consider renting out a room in their house or converting part of their house into an apartment; i.e.,

• YES - would consider renting room or converting	12%
• MAYBE - would consider renting room or converting	10%
• NO - would not consider renting room or converting	78%

Characteristics of households who would or might consider providing rental accommodation and the characteristics of the rental units which they could supply are presented below.

6.1 Dwelling Unit Characteristics

Present dwelling unit characteristics:

• dwelling unit type - detached	95%
• number of storeys - 1	55%
- 1-1/2	14%
- 2	32%
- over 2	0%
• average number of rooms	10.3 rooms
• average number of bedrooms	3.6
• average number of unused rooms	0.4
• average number of unused bedrooms	0.2
• additional space finished by owner (yes)	50%
• additional rooms added by owner (yes)	9%

Homeowners who would or might consider renting out a room or converting space into an apartment by and large live in detached houses of one or one and a half storeys. About 1/3 (32%) have rooms in their houses which are hardly ever used. Unused rooms tend to be basement rec rooms or second floor bedrooms; 18% have at least one unused bedroom.

Half of the homeowners in these two groups had finished-off space in their houses. This consisted for the most part of completing the basement areas. Less than one in ten had expanded their homes by building on an additional room.

6.2 Rental Unit Characteristics

Most of the households in this potential supply group (86%) would consider renting out a room rather than converting space into an apartment (36%). Households who would or might consider both of these options (23%) would mostly prefer to rent a room (40%) rather than have the expense of creating an apartment in their house (20%).

6.2.1 Rooms for Rent

Rental accommodation characteristics

. average number of rooms available	1.1 rooms
. parking location for tenant	
- driveway	75%
- on-street	30%
- front or back yard	10%
- garage or elsewhere	10%
. preferred tenant types	
- younger male	60%
- younger female	70%
- older male	35%
- older female	40%
. most important tenant traits	
- good character	41%
- compatibility with landlord	24%
- appearance	12%
. expected average monthly rent	\$117.

Homeowners who would or might consider renting out a room would most likely rent out only one room; a few (11%) would rent out two rooms. Most unused rooms in these households are located in the basement and, to a lesser extent, on upper floors. It could be assumed that these would be the rooms which would be rented out.

Parking does not seem to be a problem in Kingston. All potential landlords said they could provide parking for tenants; either somewhere on their lot or if need be, on the street. On the average, households in this group stated there was room for 5 cars on their lot, or more room than the average downtown Toronto parking lot.

Younger tenants are definitely preferred to older tenants and females slightly more preferred than males. Male respondents to the survey were also slightly more likely to consider renting out a room than were females. The most important tenant characteristic most frequently mentioned was that he or she should be trustworthy and generally of good character.

Almost two thirds of the households had no idea as to how much they would charge for a room. The average monthly rent that was mentioned was \$117. Monthly rents for a room ranged from \$60. to \$150.

6.2.2 Apartments for rent

Rental Accommodation Characteristics

. location in house	- basement	100%
	- main floor	13%
	- garage	13%
. separate private entry	- yes	75%
. parking location for tenant	- driveway	100%
. tenant use of backyard	- yes	100%
. preferred tenant types		
	- younger male	50%
	- younger female	75%
	- single parent with child	38%
	- young couple	63%
	- two younger friends	38%
	- couple with small child	50%
	- couple with older child	50%
	- older couple	75%
	- older single person	75%
. most important tenant traits		
	- good character	29%
	- appearance	29%
	- compatibility	14%
	- non-smoker	14%
	- responsible	14%
. expected monthly rent		\$427.

Slightly less than half as many households (8%) saw some possibility of their converting space in their homes into an apartment than would consider renting out a room (20%). Households who would or might consider converting did, for the most part (83%), realize that such an undertaking would have its difficulties. Problems with zoning regulations (33%) and the cost of converting (33%) were most frequently mentioned.

Apartments would likely be located in the basements of houses. Most would have a separate, private entry (75%). Parking and use of the backyard would be available.

The estimated cost of converting space into a self-contained apartment was \$7,400. Cost estimates ranged from \$1,000 to \$20,000; 13% of potential landlords could not give a cost estimate. Monies for converting space into an apartment would either come from the households' savings or from loans. Half the households who would or might consider converting would do all the work themselves; 38% would hire someone to do all the work, and 13% would hire someone to help them. Those households who would hire someone would most likely shop around for a contractor to do the work (50%).

Childless couples or single persons tend to be preferred as tenant types. Most potential landlords would not want to rent to a single parent nor to a couple of the same sex. Most important tenant characteristics most often mentioned were good character in general (29%) and a clean, neat appearance.

Expected rents for a basement apartment ranged from \$185 to \$300 a month. The average rent mentioned was \$251 per month; 25% of the potential landlord group had no idea of how much they could get for an apartment in their house.

6.3 Household Characteristics and Attitudes

Household Characteristics

. average household size	3.8 persons
. children in home - yes	77%
. average age of household head	46 years
. marital status - single	5%
- married	81%
- other	14%
. median household income	\$37,000.
. more than one wage earner	72%
. mortgage on house - yes	68%
. average monthly carrying costs	\$498.
. average length of residency	9.8 years

Households who would or might consider renting out a room or converting space into an apartment have on the average owned their present home for about 10 years. For about half of these households, their present home is the first home they've owned.

Two out of three households have mortgages on their homes. Few (6%) have any difficulty meeting their monthly payments.

Almost all households (77%) in the potential landlord group consist of families with children. The average age of household heads is 47 years; median household income, which mostly consists of two incomes (72%) is \$37,000. a year.

Household Attitudes

. too much extra space in house	27%
. house becoming very difficult to afford	14%
. living in house is sometimes lonely	14%
. upkeep is very hard	14%
. won't need as much space in future	41%

Asked to agree or disagree with a number of statements, describing their present housing accommodation, about two out of five households who would or might consider becoming landlords agreed that they would have extra space in their homes in the near future. About one in four agreed that they had extra space at the present time. Of those who agreed with these statements, 30% thought these and other associated problems might cause them to move from their present home, although most would prefer to stay. A couple of households would consider renting out a room or creating an apartment if this would help them stay in their present home.

7.0 DISTINGUISHING CHARACTERISTICS - Kingston

Differences between homeowners who would or might consider renting out and those who would not are presented in this section. Reasons for considering their response and distinguishing characteristics of potential landlords in Kingston are presented below.

7.1 Reasons for Renting

Nine percent of the households interviewed in Kingston would consider renting out a room in their house. The reasons for considering this are primarily for monetary gain or in order to help out a friend or relative in need of a room; i.e.,

. financial reasons	56%
. to help friend or relative	44%
. have space available	22%

About 10% of the homeowners interviewed were undecided as to whether or not they would rent out a room. The decision to rent out depended either on whether they needed the money (56%) or if a friend or relative needed a room (44%).

Reasons given for not considering renting out a room were mostly related to not wanting to give up any privacy or not having any space available; i.e.,

. loss of privacy	52%
. no space in house	48%
. no financial need	9%

In total, 6% of Kingston homeowners would consider erecting a private, self-contained apartment with its own kitchen and bathroom in part of their house and renting it out. Most of these households would also consider renting a room. The reasons given for considering converting space into an apartment were primarily based on having space available and secondly on financial gain; i.e.,

. have space available	60%
. financial reasons	40%

Only two percent of homeowners were undecided on creating an apartment. Such a move would depend mostly on financial need.

Most homeowners would not consider converting part of their home into an apartment. The reasons for not wanting to consider this were mainly that they had no space for this in their home or that they didn't want to give up any of their privacy. A number of other reasons such as conversion being illegal, too costly or too much trouble were less frequently mentioned; i.e.,

. no space in house	36%
. loss of privacy	27%
. would change character of house	7%
. don't need money	5%
. too much trouble	5%
. too costly	4%
. illegal	4%

7.2 Potential Landlord Characteristics

Homeowners in Kingston who would consider renting out are somewhat different in some of their housing and household characteristics from homeowners who would not consider renting out. Differences between homeowners who might and those who would not consider renting out are much less distinct.

	Consider renting out		
	Yes	Maybe	No
. average number of rooms in house	10.5	10.0	8.7
. have rooms hardly ever used	50%	10%	21%
. unused basement rooms	30%	0%	4%
. conversions in neighbourhood	42%	10%	19%

Homeowners who would consider renting out tend to live in slightly larger homes and are more likely to have extra space in their homes, particularly in the basement. They are also more likely to be living in areas where conversions and the renting of rooms are already occurring.

Household characteristics in general are less useful in distinguishing between potential landlords and non-landlords. Some minor differences do, however, exist in terms of length of residency, age, income, and attitudes toward present housing accommodation; i.e.,

	<u>Consider renting out</u>		
	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
• average length of residency (years)	7.5	12.5	8.2
• average number of homes owned	2	1	1
• average household size - persons	3.8	3.8	3.2
• average age of household head	45	47	48
• children in home	83%	70%	53%
• mortgage on house (yes)	75%	60%	62%
• difficulty making payment if mortgage on house	11%	0%	8%
• agree too much extra space in house now	50%	0%	1%
• agree won't need a lot of space in a few years	58%	20%	14%

Households who would consider renting out tend to be middle-aged family households who are in their second house. Most are not having difficulty in meeting their monthly carrying costs. It would appear that about half of these households have more space in their homes than they now need or will need in a few years. It may well be that these households purchased larger second houses and are now finding that with their children growing up and about to leave the house, they have a lot of unused space.

8.0 IMPLICATIONS

The study has a number of implications for increasing the supply of rental accommodation by encouraging homeowners to rent out rooms or convert space in their houses into apartments. These implications are discussed below in terms of:

- target market characteristics
- rental unit characteristics
- potential government role

8.1 Target Markets

At the time of the survey, approximately 10% of the homeowners interviewed would consider renting out a room in their houses or converting part of their houses into apartments. The proportion of homeowners amenable to renting out space did not vary significantly amongst the municipalities studied. Differences in household characteristics and reasons for considering renting out did, however, vary.

In Toronto and North York, the potential landlord group is made up, for the most part, of recent buyers and empty nester households. The major motivation for considering renting out is financial need. Recent homebuyers in this category are probably finding their budgets stretched too far with the high cost of financing their home purchase. Empty nester households who would consider renting out are likely facing declining incomes with retirement approaching. In both cases, renting out part of their homes would represent a needed source of additional income; most likely, tax-free, too.

In Kingston, homeowners who would consider renting out are most likely to be recent buyers or mature family households. Some empty nester households would also consider renting out, but a smaller proportion than in Toronto or North York. No senior households were found who would consider renting out. Financial considerations, although frequently mentioned, tend to play less of a role in whether or not a household would consider renting out than whether or not extra space is available in the house. Few homeowners interviewed in Kingston appear to be having difficulty in making their monthly mortgage payments.

8.2 Rental Units

Approximately 10% of the homeowners interviewed in Toronto and North York would consider renting out a room and 5% would consider converting space into an apartment. In Kingston, the figures were 9% and 6% respectively.

The major obstacle to converting is cost and not knowing who one would get as a tenant in Toronto and North York. Kingston homeowners are worried about cost and zoning restrictions.

Rooms that would be rented out by Toronto and North York homeowners would mostly be single bedrooms on the upper floors of the house. Rent would be around \$175 a month and parking would in most cases be available. Younger adults would be preferred as tenants over older adults.

In Kingston, rooms that would be rented out would also be single rooms, but most likely located in the basement. Rent would be less at \$117 a month and parking would be no problem. Younger tenants are also preferred by potential Kingston landlords.

The 5% or so of Toronto and North York homeowners who would consider converting space into an apartment would in most cases hire someone to convert their basements into a self-contained suite. Most homeowners who would consider converting probably have no idea of the costs of conversion. The average estimate of \$5,800 is much too low unless much of the work has already been done. Given that recent buyer and empty nester households tend to live in older houses, basement ceiling height, lighting and plumbing are likely to be major obstacles to inexpensive conversions.

On the average, Toronto and North York homeowners expect to get rents of \$425 a month for a basement apartment. Preferred tenant types are single adults or childless married couples. In terms of location, homeowners who would consider renting out are slightly more likely to be living in Toronto than in North York.

The 6% of Kingston homeowners who would consider converting would also provide basement apartments. Estimated cost to convert was \$7,400, but these households were more likely to consider doing the work themselves. Average expected rent for an apartment was \$251 a month. Childless couples or single adults are also preferred as tenant types.

8.3 Government Role

The potential impact on the supply of new rental accommodation by homeowners renting out rooms or basement units can be quite significant in a housing market. Even if only half the homeowners who would consider renting out could be encouraged to actually rent out space, this source of supply would in most cases, exceed the annual production of new rental units in a market.

Any government role in encouraging homeowners to bring rental accommodations onto the market must recognize the differences involved in providing just a room as opposed to a self-contained apartment and the different motivations of homeowners who represent the potential source of supply. The difficulties involved in renting out a room in one's house are obviously much less than those involved in converting space into an apartment. The potential benefits in terms of new supply of rental accommodation are, however, also less. For one thing, only a select group of renters, young singles, would be served by this type of accommodation. For another, the "life-span" of a room for rent is likely to be much less than an apartment.

The decision to consider renting out space seems to be based for the most part on having the available space and/or needing a source of extra income. Financial motivations appear to be stronger in Toronto and North York than in Kingston, where the cost of living is perhaps somewhat less. If government wishes to encourage homeowners to rent out rooms, its role may well be limited to encouraging the easing of municipal instructions or supplying "how-to" information or mass media propaganda. For the conversion of space into apartments, these actions, plus the provision of low cost loans, grants, or tax-breaks would seem to be required. The provision of financial assistance in one form or another was most frequently mentioned as a way government could help homeowners who would consider converting.

APPENDIX A

- A.1 Summary of Screening Questionnaire: Toronto and North York Homeowners
- A.2 Summary of Owner Groups
- A.3 Summary of Follow-up Questionnaire: Toronto and North York Homeowners:
Conversion Propensity/Non-Propensity

APPENDIX A

A.1 SUMMARY OF SCREENING QUESTIONNAIRE:

TORONTO AND NORTH YORK HOMEOWNERS

Q. 1 (a) Unit type (n=512)

1. attached	31%
2. detached	69

(b) Age of unit (n=468)

1. 10 years or less	12%	4. 31 to 40 years	13%
2. 11 to 20 years	20	5. 41 to 50 years	13
3. 21 to 30 years	19	6. over 50 years	23

Q. 2 Number of storeys (n=512)

1. one storey	30%	3. 2 storeys	46%
2. 1½ storeys	11	4. more than 2 storeys	13

Q. 3 Basement used for living/sleeping (n=511)

1. yes	28%
2. no	68
3. no basement	3

Q. 4 Park car on lot (n=510)

1. yes	90%
2. no	10

Q. 5 Parking on street (n=510)

1. yes - with permit	25%	4. no	25%
2. yes - restrtd. hours	19	5. other restrictions	5
3. yes - no restrictions	26		

Q. 6 Have back lane (n=509)

1. yes	17%
2. no	83

Q. 7 Houses on street similar to own (n=502)

1. yes	66%
2. no	34

If different:

. attached	20%
. detached	12
. older	13
. newer	21
. bigger	56
. smaller	31
. other	41

Q. 8 Know of conversions on street (n=512)

1. yes	21%
2. no	79

Q. 9 Ever considered renting out (n=511)

1. yes	8%
2. no	92

Q. 10 See advantages of renting out (n=511)

1. yes	40%	2. no	60%
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If yes:

1. financial	96%
2. other	7

Q. 11 See disadvantages of renting out (n=499)

1. yes	84%	2. no	16%
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If yes:

1. loss of privacy	66%
2. loss of space	26
3. tenant problems	19

Q. 12 Length of residency (n=511) average 13.4 years

1. less than 2 years	9%	4. 11 to 20 years	24%
2. 2 to 5 years	25	5. 21 to 30 years	14
3. 6 to 10 years	17	6. over 30 years	11

Q. 13 Have mortgage (n=505)

1. yes	50%	2. no	50%
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If yes: difficulty paying:

1. yes	27%
2. no	72

Q. 14 Household size (n=507)

1. one person	9%	4. four persons	22%
2. two persons	28	5. five + persons	21
3. three persons	20		

Q. 15 Number of motor vehicles (n=503)

1. no cars	10%	4. three cars	7%
2. one car	53	5. four + cars	2
3. two cars	28		

Q. 16 Age of household head (n=483) average 49.7 years

1. under 30 years	5%	6. 50 to 54 years	15%
2. 30 to 34 years	11	7. 55 to 49 years	12
3. 35 to 39 years	13	8. 60 to 64 years	11
4. 40 to 44 years	9	9. 65 and over	16
5. 45 to 49 years	10		

Q. 17 Marital status

1. single	19%
2. married	70
3. other	11

Q. 18 Household income (n=375)

1. under \$15,000	10%	3. \$30,000 to \$45,000	27%
2. \$15,000 to \$30,000	33	4. over \$45,000	30

Q. 19 More than one wage earner (n=439)

1. yes	65%
2. no	35

Q. 20 Postal code (n=418)

1. M5A - M5T (central)	9%
2. M4A - M4X (east)	22
3. M6A - M6Z (west)	23
4. M1L - M3N (north)	46

Q. 21 Respondent's sex

1. male	50%
2. female	50

SEPTEMBER 13-19, 1982

ERG

MARKET STUDY - MOMAH/AMO

FOR EACH COMPLETED INTERVIEW, RECORD: RESPONDENT NAME _____
TELEPHONE NUMBER _____

TORONTO AND NORTH YORK

1-4

OWNER QUESTIONNAIRE SCREEN

Q.1 (a) I wonder if I could ask you a few questions about your house? Is your house attached to another house on either one or both sides? (DOES NOT INCLUDE ABOVE OR BELOW)

Attached	1
Not Attached	2

5

(b) Approximately how old is your house? (PROBE FOR ESTIMATE, IF STILL DON'T KNOW, ASK IF BEFORE OR AFTER WW II)

YEARS		
Before WWII	1	
After WWII	2	
Don't Know	9	

6,7

Q.2 How many floors or storeys do you have in your house, not including the basement?

One	1
One and a half	2
Two	3
More than two	4

8

Q.3 (a) Do you have a basement?

Yes	1
No	2

10

(b) IF YES, ASK:

Do you use your basement for living or sleeping?

Yes	1
No	2

11

Q.4 Do you have enough room on your property to park a car?

Yes	1
No	2

12

Q.5 Can you park a car on the street in front of your home? (PROBE FOR SPECIFICS)

Yes, Permit	1
Yes, Metered	1
Yes, restricted hours with a sign	1
No	2
Don't know, no answer	9

13

14

15

16

Q.6 Do you have a lane in the back of your house?

Yes	1
No	2

17

Q.7 Are the houses on your street pretty much the same as yours or are they different?

Yes	1
No	2

18

IF DIFFERENT, ASK:

How are they different? (THE OTHERS ARE:)

Attached	1
Not Attached	2
Older	1
Newer	2
Bigger	1
Smaller	2
Other (Specify)	3

19

20

21

22

23

Q.8 Do you know of any houses on your street that have rooms or apartments which are rented out?

Yes	1
No	2

Q.9	Have you yourself ever considered renting out part of your house?	Yes	1	24												
		No	2													
Q.10	Do you see any advantages to being able to rent out part of your house?	Yes	1	25												
		No	2													
<u>IF YES, ASK:</u> What would these be? (MORE THAN ONE RESPONSE ACCEPTABLE)																
<table border="0"> <tr> <td>Financial</td> <td>1</td> <td>26</td> </tr> <tr> <td>Other (Specify)</td> <td></td> <td>27, 28</td> </tr> <tr> <td></td> <td></td> <td>29, 30</td> </tr> </table>					Financial	1	26	Other (Specify)		27, 28			29, 30			
Financial	1	26														
Other (Specify)		27, 28														
		29, 30														
Q.11	Do you see any disadvantages to renting out part of your house?	Yes	1	31												
		No	2													
<u>IF YES, ASK:</u> <table border="0"> <tr> <td>Loss of privacy</td> <td>1</td> <td>32</td> </tr> <tr> <td>Loss of space</td> <td>1</td> <td>33</td> </tr> <tr> <td>Other (specify)</td> <td></td> <td>34, 35</td> </tr> <tr> <td></td> <td></td> <td>36, 37</td> </tr> </table>					Loss of privacy	1	32	Loss of space	1	33	Other (specify)		34, 35			36, 37
Loss of privacy	1	32														
Loss of space	1	33														
Other (specify)		34, 35														
		36, 37														
Q.12	How long have you been living at your present address? (RECORD TO CLOSEST YEAR)	Years		38, 39												
Q.13	Do you currently have a mortgage on your house?	Yes	1	40												
		No	2													
<u>IF YES, ASK:</u> Are you finding any difficulty in meeting monthly mortgage payments at the present time?																
<table border="0"> <tr> <td>Yes</td> <td>1</td> <td>41</td> </tr> <tr> <td>No</td> <td>2</td> <td></td> </tr> </table>					Yes	1	41	No	2							
Yes	1	41														
No	2															
<u>I have just a few more questions.</u>																
Q.14	How many people, including yourself, live in your home? (RECORD)	Persons		42												
Q.15	How many motor vehicles are there in your household?	Vehicles		43												
Q.16	What is the age of the head of your household? (IF NO HEAD, ASK RESPONDENT'S AGE) (IF REFUSE, CODE 99)	Years		44, 45												
Q.17	What is your marital status?	Single	1													
		Married	2													
		Other (Widowed, Divorced, Separated)	3													
		Refuse	9													
Q.18	Was the total income before tax of all the members of your household over or under \$30,000. last year?	Over \$30,000.	1													
		Under \$30,000.	2													
		Refused	9													
		Over \$45,000.	1													
		Under \$45,000.	2													
		Refused	9													
		Over \$15,000.	1													
		Under \$15,000.	2													
		Refused	9													
<u>IF OVER \$30,000. ASK:</u> Was it over \$45,000?																
<u>IF UNDER \$30,000. ASK:</u> Was it over \$15,000?																

Q.19 Does this include income from more than one person?

Yes	1
No	2
Refuse	9

50

Q.20 Could you tell me your postal code?

CODE

51	52	53	54	55	56

IF NO CODE, ASK

Could you then tell me the nearest major intersection to where you live?

INTERSECTION: _____

AND _____

57	58

Q.21 DO NOT ASK: Sex of Respondent

Male	1
Female	2

59

Thank you very much. Those are all the questions I have.

Could I please get your name and telephone number in order that this interview can be verified by my supervisor?

NAME: _____

TELEPHONE NO.: _____

INTERVIEWER NAME: _____

NO.

60	61

A.2 SUMMARY OF OWNER GROUPS

	Recent Buyers		Mature Families		Empty Nesters		Seniors
	(n=100)	(n=44)	(n=85)	(n=76)	(n=59)	(n=49)	(n=24)
A.2.1 Household Characteristics	GP5	GP6	GP4	GP7	GP8	GP1	GP3
1. Average length of residency - years	3.7	4.8	8.4	13.4	9.9	25.1	21.3
2. Mortgage on house - yes	93%	81%	62%	42%	54%	4%	13%
If yes: difficulty paying - yes	30%	35%	21%	36%	27%	0%	0%
3. Average household size - persons (median)	2.7	3.1	3.2	3.0	3.2	2.0	2.0
4. Average number of cars	1.3	1.3	1.6	1.3	1.6	1.4	.5
5. Average age of household head - years	37	39	49	51	49	64	59
6. Marital status - single	9%	16%	18%	23%	21%	28%	23%
- married	83%	82%	74%	65%	74%	53%	65%
- other	8%	2%	8%	12%	5%	19%	12%
7. Household income - under \$15,000	2%	3%	9%	8%	2%	21%	18%
- \$15,000 to \$30,000	21%	25%	30%	50%	33%	42%	29%
- \$30,000 to \$45,000	28%	33%	31%	18%	38%	27%	26%
- over \$45,000	48%	39%	30%	18%	26%	9%	28%
8. More than one wage earner - yes	64%	62%	66%	64%	71%	73%	71%
9. Sex of respondent - male	49%	55%	50%	58%	53%	49%	46%
A.2.2 Unit Characteristics	GP2	GP3	GP4	GP7	GP8	GP1	GP2
1. Average age of unit - years	44	43	23	36	27	40	37
2. Attached unit - yes	38%	52%	28%	32%	27%	18%	19%
3. Number of storeys - 1	14%	30%	40%	45%	31%	35%	28%
- 1½	10%	7%	14%	5%	9%	12%	13%
- 2	53%	48%	39%	46%	41%	47%	49%
- 2 +	23%	16%	7%	4%	20%	6%	9%
4. Basement liveable - yes	29%	31%	35%	22%	30%	24%	40%
5. Parking on lot - yes	86%	93%	95%	83%	88%	100%	91%
6. Street parking restrictions - none	20%	16%	35%	26%	32%	27%	33%
- yes - permit	37%	32%	11%	21%	24%	27%	20%
- no parking	22%	16%	31%	29%	24%	24%	27%
7. Rear lane access - yes	21%	30%	8%	15%	12%	25%	14%
8. Houses on street different - yes	32%	30%	37%	32%	33%	35%	41%
9. Units rented out on street - yes	43%	36%	7%	7%	9%	16%	20%
A.2.3 Attitudes	38%	42%	41%	46%	49%	54%	59%
1. Ever considered renting out - yes	12%	9%	2%	7%	9%	8%	7%
2. Advantages in renting out - yes	60%	30%	45%	22%	40%	33%	43%
If yes - financial	95%	100%	97%	100%	100%	88%	97%
3. Disadvantages in renting out - yes	100%	100%	100%	0%	98%	100%	100%
If yes - privacy loss	100%	0%	100%	0%	0%	0%	100%
- space loss	9%	91%	25%	0%	0%	48%	8%
- tenant problems	13%	7%	11%	0%	49%	39%	11%
A.2.4 Postal Code	80%	88%	91%	80%	91%	91%	91%
1. M5A - M5T (central)	13%	0%	1%	10%	2%	20%	10%
2. M4A - M4Y (east)	42%	23%	11%	13%	16%	11%	22%
3. M6A - M6Z (west)	17%	40%	18%	26%	19%	43%	15%
4. M1L - M3N (north)	28%	37%	69%	51%	63%	27%	53%

A.3 TORONTO AND NORTH YORK FOLLOW-UP QUESTIONNAIRE

SUMMARY COMPARISON:

Conversion Propensity/Non-propensity

	<u>Consider renting out room or apt.</u>			
	<u>(n=24)</u>	<u>(n=14)</u>	<u>(n=156)</u>	<u>(n=194)</u>
	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
1 <u>Unit Characteristics</u>				
Type - detached	54%	93%	68%	68%
- attached	46%	7%	32%	32%
Style - bungalow	13%	29%	22%	21%
- split/1½ storey	17%	14%	11%	12%
- 2 storey	46%	43%	52%	51%
- 2 + storey	25%	14%	15%	17%
2 <u>Length of Residency</u>				
Under 5 years	38%	36%	34%	35%
5 to 10 years	4%	29%	16%	15%
10 to 20 years	8%	29%	28%	26%
20 or more years	50%	7%	22%	24%
3 <u>Number of Homes Owned</u>				
One (present home)	54%	29%	57%	55%
Two	33%	43%	29%	30%
Three	0%	7%	8%	7%
More than three	13%	21%	6%	8%
4 (i) Average number of rooms per dwelling unit	10.7	11.5	10.3	10.4
(ii) Average number of bedrooms per dw. unit	3.3	3.4	3.1	3.1
(iii) Rooms hardly ever used (yes)	45%	50%	33%	36%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 4 (iv) Unused basement rooms:				
- kitchen	4%	0%	0%	1%
- half bath	8%	0%	1%	2%
- den/rec room	13%	7%	3%	4%
- bedrooms	4%	0%	1%	1%
- other room	0%	14%	3%	3%
(v) Unused first floor rooms:				
- living room	0%	0%	1%	1%
- dining room	0%	0%	1%	1%
- family room	8%	0%	0%	1%
- bedroom	4%	7%	4%	4%
(vi) Unused second floor rooms: (if applicable)				
- kitchen	0%	0%	1%	1%
- full bath	0%	0%	1%	1%
- living room	0%	0%	1%	1%
- bedroom	29%	20%	17%	19%
- other room	0%	0%	2%	1%
(vii) Unused third floor rooms: (if applicable)				
- full bath	0%	-	4%	3%
- ½ bath	0%	-	4%	3%
- bedroom	33%	-	22%	21%
- other room	0%	-	9%	6%
(viii) Total number of unused rooms:				
- none	50%	57%	68%	65%
- one	25%	36%	16%	19%
- two	25%	7%	16%	17%
(ix) Total number of unused bedrooms:				
- none	58%	79%	78%	75%
- one	33%	21%	10%	14%
- two	8%	0%	12%	11%
(x) Total number of unused basement rooms:				
- none	83%	79%	94%	92%
- one	17%	21%	6%	8%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 4 (xi) Total number of unused first floor rooms:				
- none	92%	93%	94%	93%
- one	8%	7%	6%	7%
(xii) Total number of unused second floor rooms: (if applicable)				
- none	67%	80%	77%	76%
- one	33%	20%	23%	24%
(xiii) Total number of unused third floor rooms: (if applicable)				
- none	67%	100%	71%	72%
- one	33%	-	29%	28%
Q. 5 (a) Finished-off space in house (yes):				
- attic	13%	0%	2%	4%
- basement	13%	21%	13%	13%
- other	8%	7%	2%	3%
(b) Added rooms to exterior of house (yes):				
- family room	0%	14%	2%	3%
- other	13%	0%	3%	4%
Q. 6 Conversions in neighbourhood:				
- yes	38%	14%	28%	28%
- no	50%	29%	44%	43%
- don't know	13%	57%	29%	29%
Q. 7 Ever consider renting out room:				
- yes	83%	-	-	11%
- no	17%	31%	100%	84%
- maybe	-	69%	-	5%
- don't know	-	-	-	-
If yes: Why?				
- financial reasons	61%	-	-	-
- if acquaintance/relative needed space	17%	-	-	-
- to look after house	11%	-	-	-
- if room were available	11%	-	-	-
- other	6%	-	-	-

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
--	------------	--------------	-----------	--------------

Q. 7 If no: Why not?

- loss of privacy	-	-	52%	-
- no space	-	-	31%	-
- too many problems	-	-	17%	-
- don't need money	-	-	13%	-
- design of house not suited	-	-	2%	-
- illegal	-	-	2%	-
- own household characteristics	-	-	2%	-
- change neighbourhood character	-	-	1%	-

If maybe, don't know: What would precipitate
renting out?

- if needed money	-	78%	-	-
- to help friend/relative	-	33%	-	-
- if not illegal	-	11%	-	-

Note: Following questions are for yes and maybe groups only (n=30)

Q. 8 (a) Number of rooms likely to rent out:

- one	73%
- two	20%
- three	3%
- don't know	3%

(b) Parking available:

- yes	67%
- no	33%

(c) If yes: Parking locations:

- driveway	75%
- backyard	5%
- street	40%
- garage	15%

Q. 9 Preferred tenant types:

- younger male	57%
- younger female	57%
- older male	20%
- older female	27%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
--	------------	--------------	-----------	--------------

Q. 10 Important tenant characteristic:

- trustworthy	18%
- personality	15%
- compatibility	12%
- friend/relative	9%
- non-smoker	6%
- other	15%
- don't know	15%

Q. 11 Expected monthly rent:

- average	\$174/month
- don't know	42%

Q. 12 Ever consider renting out apartment:

- yes	42%	-	-	5%
- no	58%	57%	100%	92%
- maybe	-	43%	-	3%
- don't know	-	-	-	0%

If yes: Why?

- financial reasons	50%	-	-	-
- use vacant space	20%	-	-	-
- increase house value	10%	-	-	-

If no: Why not?

- loss of privacy	-	-	31%	-
- no space	-	-	33%	-
- too many problems	-	-	10%	-
- design of house not suited	-	-	6%	-
- too costly	-	-	7%	-
- don't need money	-	-	5%	-
- other	-	-	8%	-

If maybe, don't know: What would precipitate renting out?

- if space available	-	17%	-	-
- if needed money	-	17%	-	-
- if government grant available	-	17%	-	-
- if legal	-	17%	-	-
- if money available	-	17%	-	-
- other	-	17%	-	-

Note: Following questions are for yes and maybe groups only (n=18)

Q. 13 Potential difficulties in converting house:

- cost of converting	22%
- potential tenant characteristics	22%
- legal problems/code restrictions	11%
- inadequate utilities/services	11%
- other	22%

Q. 14 Location of potential apartment:

- basement	72%
- second floor	11%
- don't know	17%

Q. 15 Provide separate entry to apartment:

- yes	78%
- not possible	6%
- no	6%
- don't know	10%

Q. 16 (a) Could tenants use backyard:

- yes	67%
- maybe	17%
- no	0%
- don't know	17%

(b) Parking available:

- yes	81%
- no	19%

(c) If yes: Parking location:

- driveway	56%
- street	56%

Q. 17 (a) Estimated cost to convert:

- average cost	\$5,800
- don't know	28%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
--	------------	--------------	-----------	--------------

Q. 17 (b) Source of financing for conversion:

- savings	39%
- loan	17%
- both	17%
- don't know	28%

Q. 18 (a) Who would do conversion work:

- hire someone	50%
- by self	22%
- both	17%
- don't know	11%

(b) If hire someone: How?

- ask friends	58%
- shop around	17%
- past experience	25%

Q. 19 Preferred tenant type:

- younger male	44%
- younger female	50%
- single parent with child	33%
- young couple	56%
- two younger friends	39%
- couple with small child	33%
- couple with older child	28%
- older couple	56%
- older single person	56%

Q. 20 Important tenant characteristic:

- quiet	17%
- cleanliness	17%
- trustworthy	17%
- other	28%
- don't know	22%

Q. 21 Expected monthly rent:

- average	\$427/month
- don't know	39%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
--	------------	--------------	-----------	--------------

Q. 22 How can government help:

- low interest loans	33%
- subsidize construction costs	22%
- won't help	11%
- other	17%
- don't know	22%

Q. 23 If would consider renting out both room and apartment (n=9):

Preferred change:

- rent room	11%
- create apartment	11%
- create apartment (more privacy)	33%
- create apartment (better tenants)	11%
- create apartment (space available)	11%
- don't know	22%

Q. 24 Agree with following statements:

	(n=24)	(n=14)	(n=156)	(n=194)
(a) have too much extra space in house	15%	14%	6%	7%
(b) becoming very difficult to afford house	29%	0%	15%	15%
(c) living in house is sometimes lonely	25%	7%	7%	9%
(d) upkeep is very hard	21%	14%	8%	10%
(e) won't need a lot of space in few years	33%	29%	15%	19%

Q. 25 (a) If agreed to above:

Will problems cause move in near future:

	(n=16)	(n=5)	(n=54)	(n=75)
- yes	0%	0%	15%	11%
- maybe	25%	0%	15%	16%
- no	69%	80%	65%	67%
- don't know	6%	20%	6%	7%

(b) If yes/maybe:

- moving would not bother me	25%
- rather stay in home	75%

	(n=4)	(n=16)	(n=20)
- moving would not bother me	25%	-	50%
- rather stay in home	75%	-	50%

(c) If rather stay but in 'no' group:

Consider renting out a room:

- yes	-	-	-	10%
- no	-	-	-	90%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 25 (c) Consider converting:				
- yes				0%
- no				100%
Q. 26 Average household size:				
- persons	2.5	3.6	3.1	3.1
Q. 27 Children in household:				
- yes	29%	57%	55%	52%
- no	71%	43%	45%	48%
Average number of children (if yes):	2.3	2.3	1.9	1.9
Q. 28 Average number of motor vehicles	1.4	1.1	1.2	1.2
Q. 29 Park all vehicles on lot:				
- yes	63%	100%	76%	76%
- no	21%	-	13%	13%
- no vehicles	16%	-	11%	11%
Q. 30 Location of visitor parking:				
- on lot	17%	21%	11%	13%
- on street	42%	43%	36%	37%
- street and lot	38%	36%	49%	46%
- no parking	4%	0%	5%	4%
Q. 31 (a) Mortgage on house:				
- yes	38%	71%	56%	55%
- no	63%	29%	44%	45%
	(n=10)	(n=10)	(n=86)	(n=105)
(b) Average monthly carrying costs:	\$583	\$703	\$706	\$695
* Difficulty making payments:				
- yes	50%	40%	22%	26%
- no	50%	60%	78%	74%

* From screening questionnaire.

	<u>Yes</u> (n=24)	<u>Maybe</u> (n=14)	<u>No</u> (n=156)	<u>Total</u> (n=194)
* Age of household head:				
- under 30 years	13%	0%	8%	8%
- 30 to 39 years	26%	21%	29%	28%
- 40 to 49 years	13%	14%	20%	19%
- 50 to 64 years	35%	50%	30%	32%
- 65 years and over	13%	15%	13%	13%
* Marital status:				
- single	34%	0%	15%	17%
- married	48%	93%	75%	73%
- other	18%	7%	10%	10%
* Household income:				
- under \$15,000	5%	0%	9%	8%
- \$15,000 to \$30,000	37%	8%	28%	27%
- \$30 to \$45,000	26%	54%	28%	30%
- over \$45,000	32%	39%	35%	35%
* More than one income:				
- yes	50%	69%	65%	63%
- no	50%	31%	35%	37%
* Postal code:				
- M5A - M5T (central) }	14%	0%	11%	11%
- M4A - M4X (east) }	19%	38%	29%	29%
- M6A - M6Z (west) }	24%	15%	21%	21%
- M1L - M3N (north) } NORTH YORK	43%	46%	38%	39%
Q. 32 Sex of respondent:				
- male	58%	43%	47%	49%
- female	42%	57%	53%	52%

* From screening questionnaire.

October 26 - 28, 1982

TORONTO AND NORTH YORK

ERG

MARKET STUDY - MOMAH/AMO

OWNER QUESTIONNAIRE

FOLLOW-UP

I.D. #

1-4

Respondent Name: _____

Telephone Number: _____

Sex of Respondent: _____

INTRODUCTION: Hello, my name is _____ (your name) .

I'm doing a study for the Ontario Ministry of Municipal Affairs and Housing. We recently interviewed someone in this household on the telephone. I believe it was (CHECK NAME ABOVE) . Is he/she home?

(IF THIS IS THIRD CALL-BACK, INTERVIEW MAN OR WOMAN OF HOUSE.)

What we're now doing is interviewing again some of the people we contacted before in order to get some additional information on their views and opinions.

CALL BACK DATA

Call #	Date	Time	Interviewer	Result of Call	Comments	Call #	Date	Time	Interviewer	Result of Call	Comments
1						5					
2						6					
3						7					
4						8					

INTERVIEW RESULTS: (INSERT CODE ABOVE)

Interview completed	1	Not eligible (business)	6
Not at home, not available (SPECIFY CALL BACK DATE AND TIME)	2	Number not in service, changed number, wrong household	7
Language barrier (SPECIFY LANGUAGE) ...	3	No answer, line busy	0
Incomplete interview	4		
Refusal	5		

Q. 1 (a) Do you live in a...

READ

(a) detached unit,	1
(b) semi-detached unit, or	2
(c) row house (3 or more)	3
(d) refuse, no answer	9

5

(b) Is it a...

READ

(a) bungalow/one storey,	1
(b) split level (side or back),	2
(c) storey and half,	3
(d) two storeys,	4
(e) two and one half or three storeys	5
(f) refuse, no answer	9

6

Q. 2 How long have you owned your house? RECORD YEARS
TO NEAREST FULL YEAR

YEARS

7	8
---	---

Q. 3 How many homes have you owned before buying this one?

HOMES

9

Q. 4 (a) Could you please tell me about the arrangement of the rooms in your house? Let's start with your basement: what rooms do you have in your basement? How about your first floor... your second floor...your third floor?

CIRCLE ALL THAT APPLY

	Basement	First Floor	Second Floor	Third Floor	
Kitchen	1 10	1 18	1 26	1 34	
Full bathroom (sink, toilet, tub/shower)	1 11	1 19	1 27	1 35	
Half bathroom (sink, toilet)	1 12	1 20	1 28	1 36	
Living room	1 13	1 21	1 29	1 37	
Dining room	1 14	1 22	1 30	1 38	
Den/recreation/ family room	1 15	1 23	1 31	1 39	
No. of bedrooms	<input type="checkbox"/> 16	<input type="checkbox"/> 24	<input type="checkbox"/> 32	<input type="checkbox"/> 40	
No. of other rooms	<input type="checkbox"/> 17	<input type="checkbox"/> 25	<input type="checkbox"/> 33	<input type="checkbox"/> 41	

(b) Are there any of these rooms you hardly ever use?

Yes	1
No	2

42

IF YES, Which ones? Let's start with your basement.

Now the first floor...the second floor... the third floor. (ASK ONLY WHAT IS APPLICABLE)

PROBE

	Basement	First Floor	Second Floor	Third Floor	
Kitchen	1 43	1 51	1 59	1 67	
Full bathroom (sink, toilet, tub/shower)	1 44	1 52	1 60	1 68	
Half bathroom (sink, toilet)	1 45	1 53	1 61	1 69	
Living room	1 46	1 54	1 62	1 70	
Dining room	1 47	1 55	1 63	1 71	
Den/recreation/ family room	1 48	1 56	1 64	1 72	
No. of bedrooms	<input type="checkbox"/> 49	<input type="checkbox"/> 57	<input type="checkbox"/> 65	<input type="checkbox"/> 73	
No. of other rooms	<input type="checkbox"/> 50	<input type="checkbox"/> 68	<input type="checkbox"/> 66	<input type="checkbox"/> 74	

house by finishing off your attic, basement, or other unfinished space?

- 83 -

CIRCLE ALL THAT APPLY

PROBE

Attic	1	25
Basement	1	74
Other (SPECIFY)	1	77

(b) Have you added any rooms to the exterior of your house since you bought it?

Yes	1
No	2

78

(c) IF YES, ASK: What exactly did you do?

79	50
81	52

Q.6 One of the things we're interested in looking at is the renting out of rooms or apartments in existing houses. Do you know if this has been occurring at all in your neighbourhood?

Yes	1
No	2
Don't know	9

83

Q.7 (a) Would you ever consider renting out a room in your house or taking in a roomer?

Yes	1
No	2
Maybe/depends	3
Don't know	9

84

(b) IF YES, ASK:

Why would you do this?

85	86
87	88

GO TO Q.8

(c) IF NO, ASK: Why wouldn't you consider this?

89	90
91	92

GO TO Q.12

(d) IF MAYBE/DEPENDS, DON'T KNOW, ASK: What would make you consider doing this?

93	94
95	96

GO TO Q.8

Q.8 (a) If you were to take in roomers, how many rooms do you think you would likely rent out?
(IF DON'T KNOW, CODE 9)

ROOMS

97

(b) Would there be parking available for a roomer?

Yes	1
No	2
Don't know	9

98

(c) IF YES, ASK: Where would the parking be located?

CIRCLE ALL THAT APPLY.

Driveway	1	99
Front yard	1	100
Back yard	1	101
Street	1	102

		Yes	No	D.K., Not Sure
Q. 9	If you were to take in one or more roomers, what kind of people would you want to rent to? Would you consider renting a room to...	(a) a younger male	1	2 9 105
		(b) a younger female	1	2 9 106
		(c) an older male	1	2 9 107
		(d) an older female	1	2 9 108

CIRCLE

Q.10 What would be most important to you about a person in deciding whether or not to rent out a room to them?

109 110

Q.11 Approximately how much rent do you think you could get for a room in your house?

\$/mon. .00
111 112 113

Q.12 (a) Would you ever consider creating a private, self-contained apartment with its own kitchen and bathroom in part of your house and renting it out?

Yes	1
No	2
Maybe/depends	3
Don't know	9 114

(b) IF YES, ASK:
Why would you do this?

GO TO Q.13

115 116

(c) IF NO, ASK: Why wouldn't you consider this?

GO TO Q.24, p.7

117 118

(d) IF MAYBE/DEPENDS, DON'T KNOW, ASK: What would make you consider doing this?

GO TO Q.13

119 120

Q.13 What difficulties do you think you might run into in creating a private, self-contained apartment in your house?

121 122

123 124

Q.14 If you were to create a private, self-contained apartment in which part of your house would that be?

CIRCLE ALL THAT APPLY

Bsmt.	1	125
Main flr.	1	126
2nd flr.	1	127
3rd flr.	1	128
Not sure, don't know	1	129

Other (SPECIFY) 1 130

Q.15 If you were to create a private, self-contained apartment, would you want to provide a separate,

Yes 1

Q.16 (a) Would the tenants be allowed to use your backyard?

Yes	1	
Maybe/depends	2	
No	3	
Don't know	9	132

IF ANSWERED IN 8(b), p. 3, GO TO Q. 17

(b) Would there be parking available for a tenant?

Yes	1	
No	2	
Don't know	9	133

(c) IF YES, ASK: Where would the parking be located?

CIRCLE ALL THAT APPLY

Driveway	1	134
Front yard	1	135
Back yard	1	136
Street	1	137
Garage	1	138
	1	139

Other (SPECIFY) _____

Q.17 (a) As you can appreciate, creating a private, self-contained apartment in your house could involve some changes, such as putting in a kitchen, a bathroom, private entry or making an addition. Approximately, how much do you think it would cost you to create a private, self-contained apartment in your house? (IF D.K., CODE 99,000)

\$,000.00
140 141

(b) Would you pay for these changes out of your savings, or would you have to borrow the money to do it?

(CIRCLE ONE ONLY)

PROBE

Savings	1	
Borrow	2	
Both	3	
Other (SPECIFY)	4	
	4	
Don't know	9	142

Q.18 (a) Would you hire someone to make these changes or would you do the work yourself?

Hire someone	1	
Do work self/family/friends	2	
Both	3	
Don't know, depends	9	143

(b) IF HIRE SOMEONE, BOTH, ASK: How would you go about hiring someone?

 144 145

Q.19 If you were to create a private, self-contained apartment, what kind of tenants would you want to rent to? Would you rent to . . .

	Yes	No	Not Sure, D.K.
a younger male	1	2	9
a younger female	1	2	9
a single parent with a child	1	2	9
a young couple	1	2	9
two younger friends	1	2	9
a young couple with a small child	1	2	9
a couple with an older child	1	2	9
an older couple	1	2	9
an older single person	1	2	9

Q.20 What would be most important to you about a person in deciding whether or not to rent out an apartment to them?

155 156

Q.21 Approximately, how much monthly rent do you think you could get for an apartment in your house?
IF DON'T KNOW, REFUSE, CODE 9999.

\$/mon.

157 158 159 160 .00

Q.22 If you wanted to create a self-contained apartment in your house, how could the government help you to do so?

161 162

163 164

Q.23 IF CONSIDER RENTING A ROOM (YES TO Q.7(a), p.3 AND IF CONSIDER CREATING AN APARTMENT (YES TO Q.12(a), p.4, ASK:

(a) In thinking about either renting out a room or creating a private, self-contained apartment in your house, which would you prefer to do?

Rent room	1
Create an apartment	2
Do both	3
Don't know/not sure	9

(b) Why do you say that? _____

166 167

Q.24 Now I'd like you to tell me if you agree or disagree with the following statements about your house:

	<u>Agree</u>	<u>Disagree</u>	<u>D.K.</u>	<u>N.A.</u>
(a) I have too much extra space in this house	1	2	9	168
(b) It is becoming very difficult for me to afford to live in this house	1	2	9	169
(c) Living in a house like mine can be lonely sometimes	1	2	9	170
(d) It is becoming very hard for me personally to take care of the upkeep and maintenance of this house	1	2	9	171
(e) It won't be too many years before I won't need a lot of the space I have in this house	1	2	9	172

Q.25 IF AGREE IN 1 OR MORE IN 24, ASK:

(a) Do you think any of these problems will cause you to move in the near future?

GO TO Q.26

Yes	1
Maybe	2
No	3
Don't know/not sure	9

173

IF YES/MAYBE, ASK:

(b) Would having to move not bother you or would you rather stay in your present home?

Moving would not bother me	1
Rather stay in present home	2
Don't know, no answer	9

174

IF RATHER STAY, BUT WOULD NOT CONSIDER RENTING OUT A ROOM IN Q.7(a), p.3, ASK:

(c) Do you think you would consider renting out a room if it would help you to be able to stay in your home?

GO BACK TO Q.8-11, p.3,
AND THEN TO 25(d)

Yes	1
No	2

175

IF RATHER STAY (in b), BUT WOULD NOT CONSIDER CREATING A PRIVATE, SELF-CONTAINED APARTMENT IN Q.12, p.4, ASK:

(d) Do you think you would consider creating a private, self-contained apartment you could rent out if it would help you to be able to stay in your home?

GO BACK TO Q.13-23, p.4,
AND THEN TO Q.26

Yes	1
No	2
Depends	3
Don't know	9

176

Q.26 I just have a few more questions. Could you tell me how many people, including yourself, live in this house? IF REFUSE, CODE 99.

IF 2 OR MORE PEOPLE, ASK:

Q.27 (a) Do you have any dependent children living in your house?

IF YES, ASK: (b) How many children live in your house?

PERSONS	177	178
---------	-----	-----

Yes	1	179
No	2	
Refuse	9	

CHILDREN 180

Q. 28 How many motor vehicles do you have in your household?

IF 1 OR MORE VEHICLES, ASK:

Q. 29 Can you park all your vehicles on your lot?

Vehicles	181
----------	-----

Yes	1	182
No	2	

Q. 30 Can visitors park on your lot or on the street in front of your house?

On Lot	1	183
On Street	2	
Street and Lot	3	
No Visitor Parking	4	
Don't know, refuse	9	183

Q.31 (a) Do you have a mortgage on this house?

Yes	1	184
No	2	
Refuse, D.K.	9	

IF YES, ASK:

(b) Approximately how much are your monthly carrying costs?

IF REFUSE, D.K., CODE 9999.

 185 186 187 188 .00

Q.32 NOTE SEX OF RESPONDENT

Male	1	189
Female	2	

Q.33 ORIGINAL RESPONDENT INTERVIEWED

Yes	1	190
No	2	

THANK YOU VERY MUCH FOR YOUR TIME. THOSE ARE ALL THE QUESTIONS I HAVE.
DO YOU HAVE ANY COMMENTS YOU WOULD LIKE TO MAKE?

INTERVIEWER NAME _____

INTERVIEWER NO. 191 192

APPENDIX B

- B.1 Kingston Homeowners: Summary of Owner Groups
- B.2 Kingston Questionnaire Summary Comparison: Conversion
Propensity/Non-Propensity

APPENDIX B

B.1 KINGSTON HOMEOWNERS

SUMMARY OF OWNER GROUPS

	<u>Recent Buyers</u> (n=38)	<u>Mature Families</u> (n=42)	<u>Empty Nesters</u> (n=13)	<u>Seniors</u> (n=9)
1.1 <u>Household Characteristics</u>				
1. average length of residency	4 yrs.	10 yrs.	23 yrs.	23 yrs.
2. mortgage on house - yes	92%	67%	15%	0%
If yes: difficulty paying - yes	9%	7%	0%	0%
3. median household size - persons	3.2	3.1	1.9	1.6
4. average number of cars	1.6	1.6	1.8	1.0
5. average age of household head	35 yrs.	50 yrs.	59 yrs.	77 yrs.
6. marital status: - single	3%	10%	8%	11%
- married	87%	87%	92%	73%
- other	11%	3%	0%	11%
7. household income: - under \$15,000	4%	3%	0%	43%
- \$15,000 to \$30,000	41%	40%	33%	57%
- \$30,000 to \$45,000	41%	31%	33%	0%
- over \$45,000	15%	26%	33%	0%
8. more than one wage earner - yes	60%	65%	64%	100%
9. sex of respondent - male	47%	55%	54%	44%

	<u>Recent Buyers</u>	<u>Mature Families</u>	<u>Empty Nesters</u>	<u>Seniors</u>
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1.2 Unit Characteristics

1. average age of unit	13 yrs.	18 yrs.	29 yrs.	33 yrs
2. attached unit - yes	11%	2%	0%	0%
3. number of storeys - 1	55%	69%	54%	63%
- 1½	8%	5%	23%	25%
- 2	29%	26%	23%	12%
- 2 +	8%	0%	0%	0%
4. average number of rooms	8.9	9.3	9.3	7.2
5. average number of bedrooms	3.2	3.3	3.3	2.3
6. average number of unused rooms	0.4	0.2	0.5	0.3
7. average number of unused bedrooms	0.2	0.2	0.5	0.3

1.3 Attitudes

1. would consider renting room - yes	11%	10%	8%	0%
- no	82%	76%	92%	89%
- maybe/d.k.	8%	14%	0%	11%
2. would consider converting: - yes	8%	5%	8%	0%
- no	90%	93%	92%	100%
- maybe/d.k.	3%	2%	0%	0%

B.2 KINGSTON QUESTIONNAIRE

SUMMARY COMPARISON:

Conversion Propensity/Non-propensity

		<u>Consider renting out room or apt.</u>			
		(n=12)	(n=10)	(n=80)	(n=102)
		<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 1	Unit characteristics:				
Type:	- detached	92%	100%	95%	95%
	- semi	8%	0%	4%	4%
	- row	0%	0%	1%	1%
Style:	- bungalow	25%	40%	45%	42%
	- split	25%	25%	18%	19%
	- 1½ storey	17%	10%	9%	10%
	- 2 + storeys	33%	30%	28%	29%
Q. 2 (a)	Approximate age of unit:				
	- under 5 years	0%	10%	14%	12%
	- 5 to 10 years	8%	30%	13%	14%
	- 10 to 20 years	25%	30%	24%	25%
	- 20 to 30 years	33%	20%	15%	18%
	- 30 to 40 years	25%	0%	21%	20%
	- over 40 years	8%	10%	14%	13%
(b)	Length of residency:				
	- under 5 years	25%	20%	31%	29%
	- 5 to 10 years	50%	25%	30%	31%
	- 10 to 20 years	17%	40%	19%	21%
	- over 20 years	8%	20%	20%	19%
(c)	Number of homes owned:				
	- one (present home)	36%	70%	53%	53%
	- two	55%	20%	29%	31%
	- three	9%	10%	14%	13%
	- more than three	0%	0%	5%	4%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 3 (a) Number of motor vehicles:				
- none	0%	0%	4%	3%
- one	50%	10%	53%	48%
- two	50%	60%	34%	38%
- more than two	0%	30%	10%	11%
(b) Number of vehicles that can be parked on lot:				
- none	0%	0%	3%	2%
- one only	0%	0%	8%	6%
- two only	25%	10%	34%	30%
- three only	17%	20%	23%	22%
- more than three	58%	70%	32%	40%
(c) Street parking restrictions:				
- none	42%	40%	53%	51%
- restricted hours	8%	40%	19%	19%
- other/snow route	25%	20%	17%	18%
- no parking	25%	0%	11%	12%
Q. 4 Rear lane access:				
- yes	17%	0%	10%	10%
- no	83%	100%	90%	90%
Q. 5 (a) Other houses on the street:				
- same	50%	50%	41%	43%
- different	50%	50%	59%	57%
	(n=6)	(n=5)	(n=33)	(n=44)
How different - attached	0%	0%	3%	2%
- detached	33%	40%	15%	21%
- both attached and detached	0%	20%	21%	18%
- older	33%	40%	6%	14%
- newer	17%	40%	12%	16%
- both older and newer	17%	0%	30%	25%
- longer	38%	0%	15%	16%
- smaller	17%	0%	9%	9%
- both larger and smaller	0%	80%	73%	64%

		<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
		(n=12)	(n=10)	(n=80)	(n=102)
Q. 6	(i) Average number of rooms per dwelling unit	10.5	10.0	8.7	9.0
	(ii) Average number of bedrooms per dwelling unit	3.7	3.5	3.0	3.2
	(iii) Rooms hardly ever used - yes	50%	10%	21%	24%
	(iv) Unused basement rooms:				
	- full bath	10%	0%	0%	1%
	- rec room	20%	0%	3%	5%
	- bedroom	0%	0%	1%	1%
	- other room	10%	0%	0%	1%
	(v) Unused first floor rooms:				
	- living room	0%	0%	4%	3%
	- bedroom	8%	0%	8%	7%
	(vi) Unused second floor rooms: (if applicable)				
	- living room	0%	0%	3%	3%
	- dining room	0%	0%	3%	3%
	- bedroom	33%	25%	17%	20%
	(vii) Unused third floor rooms: (if applicable)				
	- bedrooms	0%	0%	33%	33%
	- other room	0%	0%	33%	33%
	(viii) Total number of unused rooms:				
	- none	58%	90%	79%	78%
	- one	25%	10%	14%	15%
	- two	8%	0%	5%	5%
	- three	8%	0%	3%	3%
	(ix) Total number of unused bedrooms:				
	- none	75%	90%	85%	85%
	- one	17%	10%	10%	11%
	- two	8%	0%	4%	4%
	- three	0%	0%	1%	1%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 6 (x) Total number of unused basement rooms:				
- none	70%	100%	96%	93%
- one	20%	0%	4%	6%
- two	10%	0%	0%	1%
(xi) Total number of unused first floor rooms:				
- none	92%	100%	89%	90%
- one	8%	0%	11%	10%
(xii) Total number of unused second floor rooms: (if applicable)				
- none	67%	75%	80%	77%
- one	33%	25%	17%	20%
- two	0%	0%	3%	3%
(xiii) Total number of unused third floor rooms: (if applicable)				
- none	100%	100%	33%	33%
- one	0%	0%	67%	67%
Q. 7 (a) Finished-off space in house - yes:				
- attic	0%	0%	4%	3%
- basement	33%	60%	15%	22%
- other	8%	0%	3%	3%
(b) Added rooms to exterior of house - yes:				
- living space	8%	0%	4%	4%
- bedroom	0%	10%	3%	3%
- other	0%	0%	1%	1%
Q. 8 Conversion in neighbourhood:				
- yes	42%	10%	19%	21%
- no	33%	70%	53%	53%
- don't know	25%	20%	28%	27%
Q. 9 Ever consider renting out room:				
- yes	75%	0%	0%	9%
- no	17%	10%	100%	81%
- maybe	8%	70%	0%	8%
- don't know	0%	20%	0%	2%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 9 Ever consider renting out room (cont'd)				
If yes: Why?				
- financial reasons	56%	-	-	-
- to help friends/relatives	44%	-	-	-
- have space available	22%	-	-	-
If no: Why not?				
- loss of privacy	-	-	52%	-
- no space	-	-	48%	-
- don't need money	-	-	9%	-
If maybe, don't know: What would precipitate renting out?				
- if needed money	-	44%	-	-
- if friend/relative needed room	-	56%	-	-

Note: Following questions are for yes and maybe groups only (n=20)

Q. 10 (a) Number of rooms likely to rent out:

- one	78%
- two	11%
- don't know	11%

(b) Parking available:

- yes	100%
-------	------

(c) Parking locations:

- driveway	75%
- street	30%
- front yard	5%
- back yard	5%
- garage	5%
- other	5%

Q. 11 (a) Preferred tenant types:

- younger male	60%
- younger female	70%
- older male	35%
- older female	40%

Yes Maybe No Total

Q. 11 (b) Most important tenant characteristics:

- good character	41%
- compatibility	24%
- appearance	12%
- non-smoker	6%
- quiet	6%
- other	12%

Q. 12 Expected monthly rent:

- average	\$117/month
- don't know	65%

Q. 13 Ever consider renting out apartment:

- yes	50%	0%	0%	6%
- no	42%	90%	100%	92%
- maybe	8%	10%	0%	2%
- don't know	0%	0%	0%	0%

If yes: Why?

- financial reasons	40%	-	-	-
- have space available	60%	-	-	-

If no: Why not?

- no space	-	36%	-	-
- loss of privacy	-	27%	-	-
- illegal	-	4%	-	-
- too costly	-	4%	-	-
- don't need money	-	5%	-	-
- design of house not suited	-	4%	-	-
- would change character of house	-	7%	-	-
- too much trouble	-	5%	-	-
- other	-	7%	-	-

If maybe, don't know: What would precipitate renting out?

- if needed money	-	67%	-	-
- if space were available	-	33%	-	-

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
--	------------	--------------	-----------	--------------

Note: Following questions are for yes and maybe groups only (n=8)

Q. 14 Potential difficulties in converting house:

- zoning regulations	33%
- cost of converting	33%
- basement apartment not desirable	17%
- structural/design problems	17%
- no difficulties	17%

Q. 15 Location of potential apartment:

- basement	100%
- main floor	13%
- garage	13%

Q. 16 Provide separate entry to apartment:

- yes	75%
- not possible	13%
- don't know	13%

Q. 17 (a) Could tenants use backyard:

- yes	100%
-------	------

(b) Parking available:

- yes	100%
-------	------

(c) Location of parking:

- driveway	100%
------------	------

Q. 18 (a) Estimated cost to convert:

- average cost	\$7,400
- don't know	13%

(b) Source of financing for conversion:

- savings	38%
- loan	38%
- don't know	25%

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 19 (a) Who would do conversion work:				
- hire someone	38%			
- by self	50%			
- both	13%			
(b) If hire someone: How?				
- shop around	50%			
- ask friends	25%			
- past experience	25%			
Q. 20 Preferred tenant type:				
- younger male	50%			
- younger female	75%			
- single parent with child	38%			
- young couple	63%			
- two younger friends	38%			
- couple with small child	50%			
- couple with older child	50%			
- older couple	75%			
- older single person	75%			
Q. 21 Most important tenant characteristic:				
- good character	29%			
- appearance	29%			
- compatibility	14%			
- non-smoker	14%			
- responsible	14%			
Q. 22 Expected monthly rent:				
- average	\$251/month			
- don't know	25%			
Q. 23 How can government help:				
- grants	63%			
- low interest loans	25%			
- tax breaks	25%			
- don't know	25%			

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>	<u>Total</u>
Q. 24 If would consider both room and apartment (n=5):				
Preferred change:				
- rent room (less expensive)	40%			
- create apartment (more privacy)	20%			
- don't know	40%			
Q. 25 Agree with following statements:	(n=12)	(n=10)	(n=80)	(n=102)
(a) have too much extra space in house	50%	0%	1%	7%
(b) becoming very difficult to afford house	25%	0%	9%	10%
(c) living in house is sometimes lonely	25%	0%	9%	10%
(d) upkeep is very hard	17%	10%	11%	12%
(e) won't need a lot of space in a few years	58%	20%	14%	20%
Q. 26 (a) <u>If agreed to above:</u>	(n=9)	(n=4)	(n=25)	(n=38)
Will problems cause move in near future:				
- yes	44%	0%	16%	21%
- no	33%	50%	76%	63%
- don't know	11%	25%	4%	8%
(b) <u>If yes/maybe:</u>	(n=5)	(n=1)	(n=5)	(n=11)
- moving would not bother me	20%	100%	60%	46%
- rather stay in home	60%	0%	40%	46%
- don't know	20%	0%	0%	9%
(c) <u>If rather stay but in 'no' group:</u>				
Consider renting out a room:				(n=5)
- yes				17%
- no				88%
Consider converting:				
- yes				17%
- no				67%
- depends				17%
	(n=12)	(n=10)	(n=80)	(n=102)
Q. 27 Average household size: persons	3.8	3.8	3.2	3.3

SEPTEMBER 13-19, 1982

KINGSTON

- 103 -

RENTER/OWNER STUDY

TELEPHONE NUMBER

SCREENING PAGE

INTRODUCTION: Hello, may I speak to _____?
 (TRY FOR 50/50 MALE/FEMALE RESPONSE. IF NOT AT HOME
 OR WRONG NUMBER, INTERVIEW ANY ADULT.)

Hello, my name is _____ . We're doing
 a study for the Ontario Ministry of Municipal Affairs and
 Housing and I wonder if you would please take a few minutes
 to give me your opinion on some important questions.

Q. 1 First of all could you tell me, do you rent or own your home?

<p>> RENT <input type="checkbox"/> ASK:</p>	<p>Q. 2 Do you pay rent to the government or other non-profit organization? No <input type="checkbox"/> > CONTINUE WITH Q. 3 Yes <input type="checkbox"/> > TERMINATE <small>(IF OLD AGE HOME, NURSING HOME, ETC., TERMINATE)</small></p>
<p>Q. 3 Are you receiving government assistance in meeting your rental payments? No <input type="checkbox"/> > CONTINUE, GO TO <u>RENTER QUESTIONNAIRE</u> (PINK) Yes <input type="checkbox"/> > TERMINATE</p>	
<p>> OWN <input type="checkbox"/> ASK:</p>	
<p>Q. 4 Do you live in a condominium or co-op? No <input type="checkbox"/> > CONTINUE WITH Q. 5 Yes <input type="checkbox"/> > TERMINATE</p>	
<p>Q. 5 Are there any self-contained suites or apartments in your house? No <input type="checkbox"/> > CONTINUE WITH Q. 6 Yes <input type="checkbox"/> > TERMINATE</p>	
<p>Q. 6 Do you share your house with any unrelated individuals or another family? No <input type="checkbox"/> > CONTINUE WITH Q. 7 Yes <input type="checkbox"/> > TERMINATE</p>	
<p>Q. 7 Are you a landlord or do you own another house which you rent out? No <input type="checkbox"/> > CONTINUE, GO TO <u>OWNER QUESTIONNAIRE</u> (BUFF) Yes <input type="checkbox"/> > TERMINATE</p>	

NOTE: IF RESPONDENT SAYS HE OWNS DUPLEX AND RENTS OUT ONE OR BOTH UNITS,
 TERMINATE.

CALL-BACK DATA

Call #	Date	Time	Interviewer #	Result of Call	Comments	Call #	Date	Time	Interviewer #	Result of Call	Comments
1.						5.					
2.						6.					
3.						7.					
4.						8.					

Interview Results: (INSERT CODE ABOVE)

Interview completed	1	Refusal (SPECIFY REASON)	5
Not at home, not available (SPECIFY CALL BACK DATE & TIME)	2	Not eligible (business, household outside Metro, etc.)	6
Language barrier (SPECIFY LANGUAGE)	3	Number not in service, changed number.	7
Incomplete interview	4	No answer, line busy	0

November 9-11, 1982

KINGSTON
MARKET STUDY - MOMAH/AMO

ERG

FOR EACH COMPLETED INTERVIEW, RECORD: TELEPHONE NUMBER _____

OWNER QUESTIONNAIRE

1-3

Q. 1 (a) Do you live in a...

READ	(a) detached unit,	1
	(b) semi-detached unit, or	2
	(c) row house (3 or more)	3
	(d) refuse, no answer	9

4

(b) Is it a...

READ	(a) bungalow/one storey,	1
	(b) split level (side or back),	2
	(c) storey and half,	3
	(d) two storeys,	4
	(e) two and one half or three storeys	5
	(f) refuse, no answer	9

5

Q. 2 (a) Approximately how old is your house?

(PROBE FOR ESTIMATE. IF STILL DON'T KNOW,
ASK IF BEFORE OR AFTER WW II)

YEARS

Before WW II	1
After WW II	2
Don't know	9

6

(b) How long have you owned your house? RECORD YEARS
TO NEAREST FULL YEAR

YEARS

7 16

(c) How many homes have you owned before buying this one?

HOMES

11

Q. 3 (a) How many motor vehicles do you have in your
household?

Vehicles 12

(b) How many vehicles can you park on your lot?

Vehicles 13

(c) Can you park a car on the street in front
of your home? (PROBE FOR SPECIFICS.)

Yes, unrestricted	1
Yes, permit	1
Yes, metered	1
Yes, restricted hours with a sign	1
Yes, restricted hours without a sign	1
Yes, other (SPECIFY)	1
No	2
Don't know, no answer	9

11

Q. 4 Do you have a lane in the back of your house?

Yes	1
No	2

11

Q.5 (a) Are the houses on your street pretty much the same as yours or are they different?

Yes, same	1
No, different	2

22

(b) IF DIFFERENT, ASK:

How are they different? (THE OTHERS ARE:)

DO
NOT
READ

Attached	1
Not Attached	2
Both, attached and not attached	3

23

Older	1
Newer	2
Both, older and newer	3

24

Bigger	1
Smaller	2
Both, bigger and smaller	3

25

Other (SPECIFY)	1
-----------------	---

26

Q.6 (a) Could you please tell me about the arrangement of the rooms in your house? Let's start with your basement: what rooms do you have in your basement? How about your first floor... your second floor...your third floor?

CIRCLE ALL THAT APPLY	Floor			
	Basement	First Floor	Second Floor	Third Floor
Do not have a basement	1 27			
Kitchen	1 28	1 26	1 44	1 52
Full bathroom (sink, toilet, tub/shower)	1 29	1 27	1 45	1 53
Half bathroom (sink, toilet)	1 30	1 38	1 46	1 54
Living room	1 31	1 37	1 47	1 55
Dining room	1 32	1 40	1 48	1 56
Den/recreation/ family room	1 33	1 41	1 49	1 57
No. of bedrooms	1 34	1 42	1 50	1 58
No. of other rooms	1 35	1 43	1 51	1 57

(b) Are there any of these rooms you hardly ever use?

Yes	1
No	2

20

IF YES, Which ones? Let's start with your basement.

Now the first floor...the second floor... the third floor. (ASK ONLY WHAT IS APPLICABLE)

	Floor			
	Basement	First Floor	Second Floor	Third Floor
Kitchen	1 41	1 49	1 47	1 55
Full bathroom (sink, toilet, tub/shower)	1 62	1 30	1 78	1 86
Half bathroom (sink, toilet)	1 63	1 71	1 79	1 87
Living room	1 64	1 72	1 80	1 88
Dining room	1 65	1 73	1 81	1 89
Den/recreation/ family room	1 66	1 74	1 82	1 90
No. of bedrooms	1 67	1 75	1 83	1 91
No. of other rooms	1 68	1 76	1 84	1 92

Q.7(a) Have you increased the living space of your house by finishing off your attic, basement, or other unfinished space?

CIRCLE ALL THAT APPLY

PROBE

Attic	1	93
Basement	1	94
Other (SPECIFY)	1	95

(b) Have you added any rooms to the exterior of your house since you bought it?

Yes	1
No	2

96

(c) IF YES, ASK: What exactly did you do? _____

97	98
99	100

Q.8 One of the things we're interested in looking at is the renting out of rooms or apartments in existing houses. Do you know if this has been occurring at all in your neighbourhood?

Yes	1
No	2
Don't know	9

101

Q.9 (a) Would you ever consider renting out a room in your house or taking in a roomer? (b) ←

Yes	1
No	2
Maybe/depends	3
Don't know	9

102

(b) IF YES, ASK: Why would you do this? _____

103	104
105	106

GO TO Q.10

(c) IF NO, ASK: Why wouldn't you consider this? _____

107	108
109	110

GO TO Q.13

(d) IF MAYBE/DEPENDS, DON'T KNOW, ASK: What would make you consider doing this? _____

111	112
113	114

GO TO Q.10

Q.10 (a) If you were to take in roomers, how many rooms do you think you would likely rent out? (IF DON'T KNOW, CODE 9)

ROOMS

115

(b) Would there be parking available for a roomer?

Yes	1
No	2
Don't know	9

116

(c) IF YES, ASK: Where would the parking be located?

CIRCLE ALL THAT APPLY

Driveway	1	117
Front yard	1	118
Back yard	1	119
Street	1	120
Garage	1	121
Other	1	122

		Yes	No	D.K.,	
				Not Sure	
Q.11 (a)	If you were to take in one or more roomers, what kind of people would you want to rent to? Would you consider renting a room to...	(a) a younger male	1	2	9 123
		(b) a younger female	1	2	9 124
		(c) an older male	1	2	9 125
		(d) an older female	1	2	9 126

(b) What would be most important to you about a person in deciding whether or not to rent out a room to them?

_____	_____
_____	123 122

Q.12 Approximately how much rent do you think you could get for a room in your house?

\$/mon.

121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

 .00

Q.13 (a) Would you ever consider creating a private, self-contained apartment with its own kitchen and bathroom in part of your house and renting it out?

(b) <input checked="" type="checkbox"/>	Yes	1
(c) <input type="checkbox"/>	No	2
(d) <input type="checkbox"/>	Maybe/depends	3
(d) <input type="checkbox"/>	Don't know	9 132

(b) IF YES, ASK:
Why would you do this?

_____	_____
GO TO Q.14	133 134

(c) IF NO, ASK: Why wouldn't you consider this?

_____	_____
GO TO Q.25, p.7	135 136

(d) IF MAYBE/DEPENDS, DON'T KNOW, ASK: What would make you consider doing this?

_____	_____
GO TO Q.14	137 138

Q.14 What difficulties do you think you might run into in creating a private, self-contained apartment in your house?

139	140
141	142

Q.15 If you were to create a private, self-contained apartment, in which part of your house would that be?

CIRCLE ALL THAT APPLY

Bsmt.	1	143
Main flr.	1	144
2nd flr.	1	145
3rd flr.	1	146
Not sure, don't know	1	147

Other (SPECIFY) _____ 1 148

Q.16 If you were to create a private, self-contained apartment, would you want to provide a separate, private entry?

Yes	1	
Yes, but not possible	2	
No	3	
Don't know	9 149	

Q.17 (a) Would the tenants be allowed to use your backyard?

Yes	1	150
Maybe/depends	2	
No	3	
Don't know	9	

IF ANSWERED IN 10(b), p. 3, GO TO Q.18

(b) Would there be parking available for a tenant?

Yes	1	151
No	2	
Don't know	9	

(c) IF YES, ASK: Where would the parking be located?

CIRCLE ALL THAT APPLY

Driveway	1	152
Front yard	1	153
Back yard	1	154
Street	1	155
Garage	1	156
	1	157

Other (SPECIFY) _____

Q.18 (a) As you can appreciate, creating a private, self-contained apartment in your house could involve some changes, such as putting in a kitchen, a bathroom, private entry or making an addition. Approximately, how much do you think it would cost you to create a private, self-contained apartment in your house? (IF D.K., CODE 99,000)

\$,000.00
152 154

(b) Would you pay for these changes out of your savings, or would you have to borrow the money to do it?
(CIRCLE ONE ONLY)

PROBE

Savings	1	
Borrow	2	
Both	3	
Other (SPECIFY)	4	
	9	160

Q.19 (a) Would you hire someone to make these changes or would you do the work yourself?

Hire someone	1	
Do work self/family/friends	2	
Both	3	
Don't know, depends	9	161

(b) IF HIRE SOMEONE, BOTH, ASK: How would you go about hiring someone?

162 163

Q.20 If you were to create a private, self-contained apartment, what kind of tenants would you want to rent to? Would you rent to . . .

Not
Sure,
D.K.

Yes No

a younger male	1	2	9	164
a younger female	1	2	9	165
a single parent with a child	1	2	9	166
a young couple	1	2	9	167
two younger friends	1	2	9	168
a young couple with a small child	1	2	9	169
a couple with an older child	1	2	9	170
an older couple	1	2	9	171
an older single person	1	2	9	172

Q.21 What would be most important to you about a person in deciding whether or not to rent out an apartment to them?

173	174
-----	-----

Q.22 Approximately, how much monthly rent do you think you could get for an apartment in your house?
IF DON'T KNOW, REFUSE, CODE 9999.

\$/mon.

175	176	177	178	179
-----	-----	-----	-----	-----

 .00

Q.23 If you wanted to create a self-contained apartment in your house, how could the government help you to do so?

181	182
-----	-----

Q.24 IF CONSIDER RENTING A ROOM (YES TO Q.9(a), p.3 AND IF CONSIDER CREATING AN APARTMENT (YES TO Q.13(a), p.4, ASK:

(a) In thinking about either renting out a room or creating a private, self-contained apartment in your house, which would you prefer to do?

Rent room	1
Create an apartment	2
Do both	3
Don't know/not sure	9

183

(b) Why do you say that? _____

184	185
-----	-----

Q.25 Now I'd like you to tell me if you agree or disagree with the following statements about your house:

	Agree	Disagree	D.K. N.A.	
(a) I have too much extra space in this house	1	2	9	186
(b) It is becoming very difficult for me to afford to live in this house	1	2	9	187
(c) Living in a house like mine can be lonely sometimes	1	2	9	188
(d) It is becoming very hard for me personally to take care of the upkeep and maintenance of this house	1	2	9	189
(e) It won't be too many years before I won't need a lot of the space I have in this house	1	2	9	190

IF DISAGREE IN ALL OF 25, GO TO Q.27

IF AGREE IN 1 OR MORE IN 25, ASK:

Q.26 (a) Do you think any of these problems will cause you to move in the near future?

Yes	1
Maybe	2
No	3
Don't know/ not sure	9

191

IF YES/MAYBE, ASK:

(b) Would having to move not bother you or would you rather stay in your present home?

Moving would not bother me	1
Rather stay in present home	2
Don't know, no answer	9

192

IF RATHER STAY, BUT WOULD NOT CONSIDER RENTING OUT A ROOM IN Q.9(a), p.3, ASK:

(c) Do you think you would consider renting out a room if it would help you to be able to stay in your home?

GO BACK TO Q. 9-12, p.3, AND THEN TO 26(d)	Yes	1
	No	2

193

IF RATHER STAY (in b), BUT WOULD NOT CONSIDER CREATING A PRIVATE, SELF-CONTAINED APARTMENT IN Q.13, p.4, ASK:

(d) Do you think you would consider creating a private, self-contained apartment you could rent out if it would help you to be able to stay in your home?

GO BACK TO Q. 14-24, p.4, AND THEN TO Q.27	Yes	1
	No	2
	Depends	3
	Don't know	9

194

Q.27 I just have a few more questions. Could you tell me how many people, including yourself, live in this house? IF REFUSE, CODE 99.

IF 2 OR MORE PEOPLE, ASK:

Q.28 (a) Do you have any dependent children living in your house?

IF YES, ASK: (b) How many children live in your house?

PERSONS

195 196

Yes	1
No	2
Refuse	9

197

CHILDREN

198

Q.29 (a) Do you have a mortgage on your house?

Yes	1
No	2
Refuse, D.K.	9

199

IF YES, ASK:

(b) Are you finding any difficulty in meeting monthly mortgage payments at the present time?

Yes	1
No	2
Refuse	9

200

(c) Approximately how much are your monthly carrying costs?

IF REFUSE, D.K., CODE 9999.

201 202 203 204 .00

Q.30 What is the age of the head of your household?
(IF NO HEAD, ASK RESPONDENT'S AGE) (IF REFUSE, CODE 99)

Years

205 206

Q.31 What is your marital status?

Single	1
Married	2
Other (Widowed, Divorced, Separated)	3
Refuse	9

207

Q.32(a) Was the total income before tax of all the members of your household over or under \$30,000 last year?

Over \$30,000	1
Under \$30,000	2
Refused	9 ²⁰⁸

IF OVER \$30,000, ASK: Was it over \$45,000?

Over \$45,000	1
Under \$45,000	2
Refused	9 ²⁰⁹

IF UNDER \$30,000, ASK: Was it over \$15,000?

Over \$15,000	1
Under \$15,000	2
Refused	9 ²¹⁰

(b) Does this include income from more than one person?

Yes	1
No	2
Refuse	9 ²¹¹

Q.33 Could you tell me your postal code?

CODE

212	213	214	215	216	217	

IF NO CODE, ASK:

Could you then tell me the nearest major intersection to where you live?

INTERSECTION: _____
AND _____

218	219

Q.34 NOTE SEX OF RESPONDENT

Male	1
Female	2 ²²⁰

Thank you very much for your time. Those are all the questions I have.
Do you have any comments you would like to make?

Could I please get your name in order that this interview can be verified by my supervisor?

INTERVIEWER NAME _____

INTERVIEWER NO.

221	222

APPENDIX C

- C.1 Summary of Questionnaire: Telephone Survey Analysis - Toronto and North York Renters
- C.2 Summary of Renter Groups
- C.3 Summary of Follow-up Questionnaire: Toronto and North York Renters

Footnote

Study Methodology includes survey of "Tenant Demand for Rental Accommodation in Converted Dwellings"
Part 3.4, Vol. 6

METHODOLOGY

Introduction

During the fall of 1982, Environics Research Group Limited conducted a two-stage study of the housing market, in relation to conversion and infill in the Cities of Toronto and North York, and a one-stage study in the City of Kingston. Both telephone and personal interviewing techniques were used. The different stages of the study are described below under Questionnaire Design.

Questionnaire Design

There were several questionnaires used in the implementation of this study; all were designed in close consultation with members of the study team.

- 1) General Screening Questionnaire: This questionnaire determined eligibility of owners and renters to participate in the study. Home-owners were required to live in houses which were not condominiums or co-ops. They were not to be landlords or share their accommodation with unrelated individuals or have self-contained apartments within their house. Renters were required to be renting from a private individual or company and not receiving government assistance to meet rental payments.
- 2) Toronto/North York Owner Screening Questionnaire: This questionnaire was designed to determine potential suppliers of converted dwellings.
- 3) Toronto/North York Renter Screening Questionnaire: This questionnaire was designed to determine potential demand for a rental apartment or room within a house.

4) Toronto/North York Owner Follow-Up Questionnaire: This questionnaire was designed based on data from the screening questionnaire, and followed up on identified potential converters asking specific questions related to creating private, self-contained apartments in their homes or renting out rooms.

5) Toronto/North York Renter Follow-Up Questionnaire: This questionnaire was designed based on data from the screening questionnaire and followed up on identified potential renters of apartments or rooms in homes and also asked questions probing purchase of homes with self-contained apartments or the possibility of creating them within a home. It also asked questions concerning renting out a room within a home.

6) Kingston Owner Questionnaire: This questionnaire was a combination of the screening and follow-up questionnaires of the Toronto/North York Study.

7) Kingston Renter Questionnaire: This questionnaire was a combination of the screening and follow-up questionnaires of the Toronto/North York Study.

Each phase of the study was pre-tested on 25 respondents and questionnaires were revised based on pre-test results, interviewer suggestions and study team requests. Questionnaires varied in length from 10 to 30 minutes.

Sample Selection

The original sampling was designed in order to obtain 1,000 screening interviews in Toronto and North York, of 500 owners and 500 renters, with a follow-up of 150 owners and 150 renters.

The Kingston sampling was designed to obtain 200 interviews, of 100 owners and 100 renters.

Households were randomly selected from the most recent telephone directories and an attempt was made to achieve equal numbers of male and female adult owners and renters.

A total of 2,596 numbers were selected in Toronto and North York to achieve 1,000 interviews. Of the 512 owners interviewed in the screen, 258 were identified for follow-up. Of the 504 renters interviewed, 260 were identified for follow-up.

Telephone and Personal Interviewing

The screening phase of the Toronto/North York Owner/Renter Market Study was conducted by experienced interviewers at the ERG telephone workshop September 13-20, 1982.

The Toronto/North York Owner Telephone Follow-Up was also conducted at the ERG telephone workshop October 26-28, 1982.

The Toronto/North York Renter Personal In-Home Follow-Up was conducted November 1-15, 1982.

The Kingston Owner/Renter Market Study was conducted by telephone November 9-16, 1982 at the offices of the Ministry of Municipal Affairs and Housing using inter-city telephone lines.

Field supervisors were present at all times to ensure accurate interviewing and recording of responses. Periodic monitoring of calls and interviews allowed for quality control. Five calls were made to a household before classifying it as a "no answer."

All questionnaires were checked for accuracy and consistency. Experienced research assistants coded open-ended responses to all questionnaires which were then checked by supervisors before being keypunched (with 100% verification) and analysed.

Completion Results

a) Toronto/North York Telephone Owner/Renter Screen

A total of 1,016 interviews were completed, with 512 owners and 504 renters.

The table below presents the detailed results.

The effective response rate for the survey is 56% (the number of completed interviews, 1016, divided by the total sample, 2596, minus the number of non-valid/non-residential numbers, 21, the numbers not in service/changed numbers, 213, interviews terminated as unqualified, 342, and interviews terminated as sex or owner/renter quota filled, 195.

Completion Results

	<u>N</u>	<u>%</u>
Number of calls	2,596	100
Non-valid/Non-residential	21	1
Numbers not in service/changed numbers	213	8
Interviews terminated as unqualified	342	13
Interviews terminated as sex and owner/renter quota filled	195	8
Sub-total	771	30
 New base	 1,825	 100
 No answer/line busy/respondent not available	 251	 14
Language barrier	147	8
Incomplete interview	16	1
Refusals	395	22
Sub-total	809	44
 Net completions (1,825 - 809)	 1,016	 (55%)
Owners	(512)	
Renters	(504)	

b) Toronto/North York Telephone Owner Follow-Up

A total of 194 interviews were completed.

The table below presents the detailed results.

The effective response rate for the survey is 77% (the number of completed interviews, 194, divided by the total sample, 258, minus the numbers not in service/changed numbers, 5).

Completion Results

	<u>N</u>	<u>%</u>
Number of calls	258	100
Numbers not in service/changed numbers	5	2
 New base	 253	 100
 No answer/line busy/respondent not available	 15	 6
Incomplete interview	12	5
Refusals	32	13
 Sub-total	 59	
 Net completions (253 - 59)	 194	 (77%)

c) Toronto/North York Renters Personal Interview Follow-Up

A total of 156 interviews were completed.

The table below presents the detailed results.

The effective response rate for the survey is 63% (the number of completed interviews, 156, divided by the total sample, 260, minus the numbers not in service/changed numbers, 13).

Completion Results

	<u>N</u>	<u>%</u>
Number of calls	260	100
Numbers not in service/changed numbers	13	5
 New base	 247	 100
 No answer/line busy/respondent not available	 39	 16
Refusals	52	21
Sub-total	.91	37
 Net completions	 156	 (63%)

d) Kingston Telephone Owner/Renter Survey

A total of 202 interviews were completed, with 102 owners and 100 renters.

The table below presents the detailed results.

The effective response rate for the survey is 57% (the number of completed interviews, 202, divided by the total sample, 521, minus the number of non-valid/non-residential numbers, 3, the numbers not in service/changed numbers, 28, interviews terminated as unqualified, 75, and interviews terminated as sex or owner/renter quota filled, 59).

Completion Results

	<u>N</u>	<u>%</u>
Number of calls	521	100
Non-valid/non-residential	3	1
Numbers not in service/changed numbers	28	5
Interviews terminated as unqualified	75	14
Interviews terminated as sex and owner quota filled	59	11
Sub-total	165	32
<hr/>		
New base	356	100
<hr/>		
No answer/line busy/respondent not available	80	22
Language barrier	7	2
Incomplete interview	11	3
Refusals	56	16
Sub-total	154	43
<hr/>		
Net completions	202	(57%)
Owners	(102)	
Renters	(100)	

PART 3.3.3
THE CONSTRUCTION INDUSTRY

Prepared by:
Clayton Research

3.3.3 THE CONSTRUCTION INDUSTRY

1.0 INTRODUCTION

This section presents an examination of the capability of the building industry to undertake the type of conversion activity under study in an efficient and cost-effective manner.

2.0 VOLUME OF BUILDING ACTIVITY

The market study indicated that the overall proportion of homeowners who would consider renting out a room or converting space into an apartment was:

- Renting out a room:
 - 10 percent of homeowners in Toronto and North York;
 - 9 percent of homeowners in Kingston.
- Converting space into an apartment:
 - 5 percent of homeowners in Toronto and North York;
 - 6 percent of homeowners in Kingston.

The building activity involving in renting out a room in a dwelling (Model 1) would be negligible. However, converting space into an apartment (as in Models 2 and 4) in most cases, involves a significant amount of building work. The section on economic feasibility of conversions suggested that the construction costs associated with the various types of conversion activity varied between \$10,000. to create a "granny" flat and up to \$25,000. for one of the duplex models. The average costs would appear generally to be in the \$15,000. per unit range, well above the \$5,800. (Toronto and North York) and \$7,400. (Kingston) estimated by the homeowners who indicated that they would consider converting space in their dwelling.

It seems likely that only a fraction of those who indicated that they would consider converting their dwelling would, in fact, do so even if it was demonstrated to them that conversion was both economically feasible and could be undertaken with minimal loss of privacy. On the other hand, such conversions could have a "demonstration effect" which would encourage others to undertake such activities. For the sake of illustration, two different rates of take-up are assumed for conversion of space into a separate dwelling:

- 2.5 percent of all owner-occupied grade-related dwellings in Ontario urban centres (half the number shown to be willing to consider such a conversion); and
- 5 percent of all owner-occupied grade-related dwellings in Ontario urban centres.

The following table presents illustrative estimates of the number of dwelling units which would be created under the above two assumed take-up rates. As well, estimates are presented on the number of dwellings which might rent out a room (Model 1) under similar assumed take-up rates; i.e., 10 percent of all owner-occupied grade-related dwellings as indicated by the market survey and half that rate (5 percent).

ILLUSTRATIVE ESTIMATES OF CONVERSION ACTIVITY, CASE STUDY AREAS AND URBAN
ONTARIO (000's OF DWELLING UNITS)

	Toronto	North York	Hamilton	Ottawa	Kings ton	Wood- stock	Urban Ontario
Owner-Occupied Grade-Related Stock 1981	88.0	86.4	60.2	40.9	8.2	6.2	1,219.9
<u>Conversion to Add Units:</u>							
@ 2.5 percent	2.2	2.2	1.5	1.0	0.2	0.2	30.5
@ 5.0 percent	4.4	4.3	3.0	2.0	0.4	0.3	61.0
<u>Conversion to Rent Rooms:</u>							
@ 5.0 percent	4.4	4.3	3.0	2.0	0.4	0.3	61.0
@ 10.0 percent	8.8	8.6	6.0	4.1	0.8	0.6	122.0
Rental Apartment Stock 1981	111.9	78.6	37.0	53.4	8.9	1.8	684.2
<u>Apartment Completions</u>							
1976	2.5	3.0	2.5	0.0	0.2	0.1	26.3
1977	1.3	1.6	1.6	0.9	0.6	0.2	25.0
1978	3.1	1.3	0.9	2.0	0.4	0.0	28.6
1979	2.6	2.6	0.2	1.5	0.1	0.0	26.5
1980	3.3	2.0	0.0	0.4	0.2	0.0	18.8
1981	1.8	1.1	0.0	0.1	0.4	0.0	11.5
Average 1976 - 1981	2.4	1.9	0.9	0.8	0.3	0.1	22.8
Average 1980 - 1981	2.6	1.6	0.0	0.3	0.3	0.0	15.2

Source: 1981 Census of Canada, CMHC and estimates by Clayton Research Associates.

If any of the assumed take-up rates is actually realized, a significant number of new dwelling units or rental rooms could be added to the rental housing stock in all case study areas and in Urban Ontario as a whole:

- At a 2.5 percent take-up rate for the owner-occupied grade-related stock, 30,500 additional dwelling units would be created in Urban Ontario. This is equivalent to 4.5 percent of the tenant-occupied apartment stock in 1981 and is twice the average annual level of apartment completions (including both rental and condominium units) in the 1980-1981 period.

- At a 5 percent take-up rate, 61,000 additional dwelling units would be created in Urban Ontario, equivalent to almost 9 percent of the rental apartment stock in 1981 and four times the annual levels of apartment completions in the 1980-1981 period.
- The number of dwellings where rooms could be added is even more significant but begs the question about whether there would be a demand for this number of rooms at the level of rent which potential converters might expect.

The physical volume of units which might be created through conversion, though impressive, is probably less significant than the cost involved in their creation compared to the costs of building new rental apartment units. With construction costs for conversions ranging from zero for renting rooms up to an average of around \$15,000. for a typical conversion to create an additional dwelling unit, it seems clear that the low creation costs of conversions compare very favourably with those of rental units in new buildings. These lower costs are inevitably reflected in lower break-even rents which could create more affordable rental accommodation; this at a time when new rental projects are stalled because the low market rent structure renders relatively high-cost new projects uneconomic - conversions appear to offer an attractive alternative from an economic point of view.

The physical volume of construction activity associated with the conversion of the number of dwellings indicated in the table would be significant.

- To convert 30,500 dwellings (the 2.5 percent take-up scenario) at an assumed average construction cost of \$15,000. each would generate \$457.5 million worth of construction activity.
- To convert 61,000 dwellings at the same average costs would generate \$915. million of construction activity.

It must be borne in mind, however, that these volumes of activity assume that all work is done by contractors. The market survey indicated that half the owners in Kingston who would consider creating an apartment in their home would do all the work themselves and a further 13 percent would hire someone to help them; only 38 percent would hire someone to do all the work. In Toronto and North York, the figures were somewhat different; half the owners would hire a contractor to do all the work and a further 17 percent would hire someone to help them. It would appear that, overall, somewhere between 40 percent and 60 percent of the actual conversion work would be done by contractors. Also, of course, these conversions would not all occur within a span of one or two years; they would probably extend over several years. For comparison purposes, the table below presents the latest Statistics Canada estimates of expenditures on new residential construction and alterations, improvements and conversions in Ontario over the 1976-1982 period.

CAPITAL EXPENDITURES IN HOUSING
ONTARIO 1976-1982 (\$MILLIONS)

	New Dwellings		Alterations, Improvement and Conversions	
	Current Dollars	Constant 1982 Dollars*	Current Dollars	Constant 1982 Dollars*
1976	2,755.6	4,277.1	670.5	1,028.5
1977	2,855.6	3,949.3	644.4	891.2
1978	2,748.5	3,537.3	692.2	890.9
1979	2,503.0	2,993.6	779.4	932.2
1980	2,219.5	2,516.9	712.0	807.4
1981 (Preliminary)	2,743.2	2,847.4	841.4	973.4
1982 (Forecast)	2,495.0	2,495.0	858.8	858.0

* To determine the constant 1982 dollar equivalent expenditure, the current dollar expenditure was adjusted using Statistics Canada's implicit price index for residential construction.

Source: Statistics Canada and estimates by Clayton Research Associates.

The decline in the volume of new residential construction in Ontario in recent years is clearly evident in the figures. No doubt, when the current slump in the industry subsides, residential construction expenditures will rise above their current level but they are unlikely to return to the very high levels of the mid-1970's.

Realistically, it is unlikely that the construction expenditures resulting from the volume of conversion activity assumed earlier in this section would rise above \$100 million annually. From this perspective, it seems likely that the residential construction industry as a whole could accommodate such increased expenditures with little trouble. Such a level of activity could, however, place some strains on that segment of the industry which concentrates on alterations, improvements and conversions. The real question is whether parts of the industry currently geared to new construction could adapt toward increasing amounts of conversion-type activity, away from new construction. The answer is probably yes.

3.0 UNIQUE CHARACTERISTICS OF CONVERSION/RENOVATION BUILDING CONSTRUCTION

Conversions and renovations are similar types of activities which face similar problems and constraints; they are both, however, quite different from new construction. Some of the major differences are:

- Each conversion construction job is one-of-a-kind whereas new construction typically involves some volume of similar units so economies of scale can be realized;
- Working on a conversion in a built-up area involves a considerable number of extra problems and often requires a great deal of ingenuity not to mention public relations skills in dealing with the owner, with neighbours and with the municipal bureaucracy;
- Construction techniques and materials used for the original structure are often different from those commonly available today, especially in this new metric age, attempts to match the original work can sometimes be more difficult than replacing the item entirely; and
- Financing for conversions or renovations is generally viewed differently by lending institutions than financing for new construction. This is a complex topic which will be dealt with in a separate section below.

Leaving the financing considerations aside, these differences, while important, do not appear to place serious constraints on the amount of conversion activity from the total industry perspective. It is evident that conversions are a different type of activity from new construction, but entrepreneurs and building tradesmen are flexible enough to meet the demands for additional conversion activity should they emerge.

It is a commonplace notion in discussions about the types of construction firms which can successfully undertake one-of-a-kind types of building activity, that the large builders (which tend to dominate new construction) do not have the flexibility to provide the necessary on-the-spot decisions required in these types of work. The argument is persuasive, however, there is no shortage of the types of smaller residential building firms in Ontario who could undertake such activity. The following table presents Statistics Canada estimates of the number of residential general building contracting firms in Ontario in 1980 by the size of the operation.

RESIDENTIAL BUILDING CONTRACTING INDUSTRY BY SIZE GROUP, ONTARIO, 1980*

<u>Gross Operating Revenue (\$000)</u>	<u>Number of Firms</u>	<u>Average Value of Construction Output (\$000)</u>	<u>Percent of Total Output By Industry</u>
10 - 249	2,580	79.	13.9
250 - 499	413	344.	9.6
500 - 749	141	612.	5.9
750 - 999	64	855.	3.7
1,000 - 1,999	94	1,375.	8.8
2,000 - 9,999	61	3,686.	15.2
10,000 and over	18	35,138.	42.9
Total	3,371	437.	100.0

* These statistics do not cover all firms engaged in residential building work; they cover only those firms which specialize in residential building. Therefore, many firms (e.g., special trade contractors) who undertake residential contracting work as well are excluded.

Source: Statistics Canada.

Clearly, there are many small residential building contracting firms in existence. These are firms which, while they may not specialize in conversion or renovation types of work would, in most cases, be prepared to undertake such work if it were considered to be profitable. There may be an information role here for government in equipping these firms with the special types of skills and procedures necessary to undertake conversion/renovation work. Especially important in this regard would be instructions on the types of procedures required in gaining approval for the work from the municipality. Similarly, a program to instruct homeowners in the important things to consider when a) deciding to convert and b) choosing a contractor would probably be of assistance.

Materials and labour do not appear to be a problem at present. Construction materials are available in a sufficiently wide range that almost any building can be added onto if not using the identical material then using something sufficiently close. Labour is always available in a time of a slump in the industry, in boom times the opposite occurs. This is not a problem of conversion/renovation, it is a problem for the construction industry as a whole. Certain trades are likely to be in short supply when an upturn in construction occurs and this is likely to hurt the one-dwelling conversion job harder than the new builder with a large number of dwellings in one place. This is more a matter of the scheduling problem of small jobs than of the difficult nature of conversion work but it will present problems for conversion work in terms of high activity in the construction industry as a whole.

Financing however, does appear to present problems for conversion activity and this is dealt with in the next section.

4.0 FINANCING PROBLEMS

Conventional lenders are apprehensive about renovations. Speculation situations, where an investor purchases a house with the intention of major renovation and re-sale, although this type of activity has reduced substantially in the present economic market, represent the greatest set of fears from lenders. However, renovations undertaken by conventional homeowners are also perceived as somewhat risky.

The major concerns of lenders are:

- any loans in non-urban areas since they consider these weak markets with higher servicing costs per loan;
- lack of faith in the skills of most renovators to carry out the work within the initially stated cost estimates;
- in circumstances where the property is gutted and its value therefore drops prior to completion, all lenders are reluctant to provide any form of interim financing and will consider loans on a completion basis only;
- uncertainty in the skills of municipal inspectors to deal with renovation circumstances to ensure adequate workmanship;

Consequently, private financing for renovation is often at higher rates than more conventional mortgages.

However, with over 50% of the current housing stock over 20 years of age and more than one in five over 50 years of age, the physical need for renovations is strong and will be growing over the next 10-20 years steadily. A May, 1980 CMHC analysis suggested that the total renovation potential and need in Canada over the 1980-2000 year period was approximately \$230. billion.

Private financing should form the basis for renovation activity, not public funding. A scheme whereby the risk factor under current circumstances could be reduced through mortgage insurance packaging could be introduced to facilitate private investment.

Such a scheme would involve the following steps:

1. Establishment by the mortgage insurance firms of a plan whereby an additional premium of, for example, 1/2 of 1 percent would be charged to an applicant requiring both interim and completion loans for renovation purposes. In turn, private lenders would then provide the capital but the risk would be with the mortgage insurer.
2. In order to establish such a plan, a reserve must be developed to finance defaults. Senior officials of the Mortgage Insurance Co. of Canada have estimated that the value of defaults would exceed the aggregate value of premiums until approximately the end of the 5th year. They are quite keen on such a scheme but have asked that the Province consider providing a reinsurance fund for that initial five year period until the reserve could be self-sustaining.

3. Estimated cost of the reinsurance would be about \$2.5 million per year or a total of \$12.5 million for the five year period. These estimates are based on a minimum \$100. million renovation expenditure per year or \$500. million over 5 years. The job creation factor for this work would be considerable.

It would be very consistent for the Province to share the intial risk with the private sector since renovation activity has a very high job creation factor which, in turn, would provide Provincial revenues through direct and indirect taxes on materials, personal incomes and retail products.

